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# Public Accounts 1986-87

Volume 2

Supplementary Financial Statements

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## Saskatchewan



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Province of  
Saskatchewan

# Public Accounts 1986-87

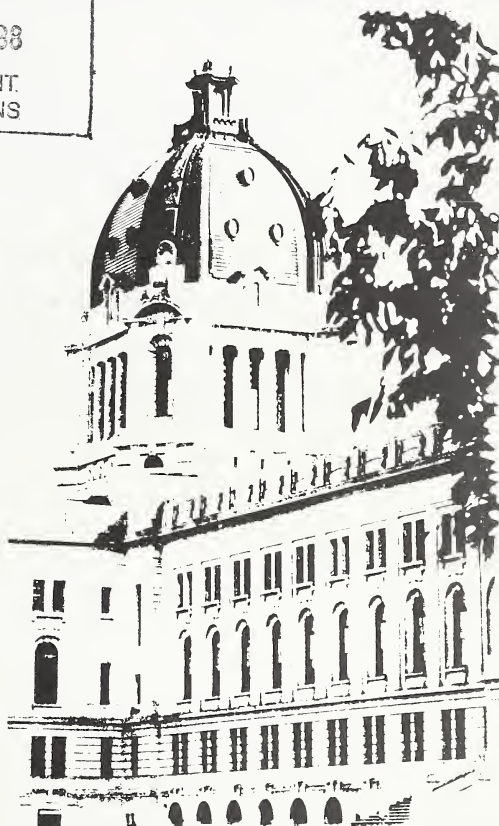
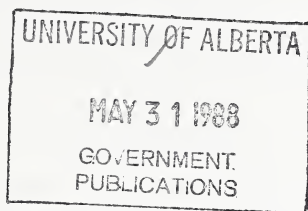
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## Volume 2

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### Supplementary Financial Statements

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# Saskatchewan





# *Scope of the Public Accounts*

The Public Accounts are organized into three volumes:

## **Volume 1 — Main Financial Statements**

Volume 1 consists of two parts:

- Part A — Financial Statements of the Combined Funds
- Financial Statements of the Consolidated Fund
  - Financial Statements of the Saskatchewan Heritage Fund

Part B — Additional Information on Debt, Loan, Investment and Deposit Activity

## **Volume 2 — Supplementary Financial Statements**

Summary information of Superannuation, Trust and Special Purpose Funds under the control of the Minister of Finance

Financial statements of Revolving Funds; and

Other financial statements which are not tabled separately in the Legislature.

## **Volume 3 — Details of Revenue and Expenditure Activity**


Summary Revenue and Expenditure Information for the Combined, Consolidated and Saskatchewan Heritage Funds.

Consolidated Fund Revenue and Expenditure Details;

Saskatchewan Heritage Fund Revenue and Expenditure Details; and

Other Information — Statement of Remission of Taxes and Fees.

A Detailed Table of Contents is provided at the beginning of each of the Volumes.



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# ***Supplementary Financial Statements***

## ***Preamble***

Contained in the first part of this Volume is summary financial information on a variety of funds administered by the Minister of Finance. These include superannuation funds over which the Minister provides general administrative support, trust monies held for third parties under various arrangements and special purpose monies held for specified use.

Following this summary information are financial statements of revolving funds and other government entities for which the governing legislation does not require that the financial statements of the entities be tabled separately before the Legislative Assembly.

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\*\*Financial Statements for the year ended December 31, 1985 which were not finalized at the time of printing the 1984-85 Public Accounts.

Note: The following financial statements are not included in the 1986-87 Public Accounts as they were not finalized at the time of printing:

Public Employees Group Life Insurance Fund, December 31, 1986

Public Employees Disability Income Fund, December 31, 1986

Public Employees Dental Fund, December 31, 1986

Northern Institute of Technology Revolving Fund, March 31, 1987

**Northern Revenue Sharing Trust Fund**, December 31, 1986





*Summary of Superannuation,  
Trust, and Special  
Purpose Funds*

## Summary of Superannuation, Trust, and Special Purpose Fund Balances

March 31, 1987

(\$ Thousands)

<i>Assets</i>	1987	1986
Cash	\$ 24,176,174	\$ 18,959,821
Investments	1,241,618,824	1,122,537,281
Accounts Receivable	38,587,063	37,743,161
Other Assets	1,810,947	20,456,336
<b>Total Assets</b>	<b>\$ 1,306,193,008</b>	<b>\$ 1,199,696,599</b>

### *Liabilities and Fund Balances*

Liabilities	\$ 125,485,746	\$ 91,836,455
Superannuation Funds Held in Trust	1,131,160,903	1,056,866,206
Other Trust Funds	110,738,057	100,073,092
Other Special Purpose Funds	(61,191,698)	(49,079,154)
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,306,193,008</b>	<b>\$ 1,199,696,599</b>

(See accompanying notes)

**Summary of Individual Superannuation, Trust and Special Purpose Funds**  
*At March 31, 1987*

	Cash in Bank	Investments	Accounts Receivable	Other Assets	Total Assets	Liabilities	Fund Balance
<b>Superannuation Funds</b>							
<b>Education</b>							
Teachers' Annuity Fund (2) .....	(967,219) \$	57,856,069 \$	1,576,890 \$	71,728 \$	58,537,468 \$	— \$	58,537,468
Teachers' Superannuation Fund (2) .....	(4,437,832)	596,993,841	7,542,039	(9,954,056)	590,143,992	—	590,143,992
Teachers' Supplementary Allowance Fund (2) .....	(126,012)	5,782,599	135,830	34,244	5,826,661	—	5,826,661
Teachers' Voluntary Contributions Fund .....	30,425	1,188,529	—	39,349	1,258,303	—	1,258,303
<b>Public Employees Benefits Agency</b>							
Anti-Tuberculosis League Employees Superannuation Fund (2) .....	3,932	5,288,872	179,342	—	5,472,146	152	5,471,994
Judges of the Provincial Court Superannuation Fund (2) .....	18,860	1,537,812	51,457	—	1,608,129	3,082	1,605,047
Liquor Board Superannuation Fund (2)(3) .....	62,458	10,303,205	313,271	—	10,678,934	—	10,678,934
Members of the Legislative Assembly Superannuation Fund (2) .....	14,285	2,737,339	313,877	—	3,065,501	4,204	3,061,297
Public Employees (Government Contributory) Superannuation Fund (2) .....	—	263,606,593	8,630,359	—	272,236,952	2,115,436	270,121,516
Saskatchewan Transportation Company Employees Superannuation Fund (2) ..	—	15,981,275	391,629	—	16,372,904	553,764	15,819,140
Workmen's Compensation Board Superannuation Fund (1)(3) .....	315,502	8,765,634	202,851	—	9,283,987	—	9,283,987
<b>Rural Development</b>							
Municipal Employees Superannuation Fund (1)(3) .....	423,427	169,510,709	3,895,241	—	173,829,377	14,476,813	159,352,564
	\$ (4,662,174)	\$ 1,139,552,477	\$ 23,232,786	\$ (9,808,735)	\$ 1,148,314,354	\$ 17,153,451	\$ 1,131,160,903
<b>Trust Funds</b>							
<b>Agriculture</b>							
Cattle Marketing Deductions Fund (1) ...	108,498 \$	407,792 \$	— \$	— \$	516,290 \$	— \$	516,290
Horned Cattle Trust Fund (1) .....	75,936	198,923	—	510,445	785,304	4,085	781,219
Saskatchewan Beef Stabilization Board Producer Trust Fund (2) .....	2,997,546	—	1,790,778	—	4,788,324	4,788,324	—
<b>Consumer and Commercial Affairs</b>							
Provincial Mediation Board .....	199,950	—	—	—	199,950	—	199,950
<b>Education</b>							
School for the Deaf — Miscellaneous Trust Fund .....	4,721	9,504	—	—	14,225	—	14,225
School for the Deaf — Student Trust Fund .....	11,222	—	—	—	11,222	—	11,222
<b>Finance</b>							
Province of Saskatchewan Trust .....	559,010	—	—	—	559,010	—	559,010
<b>Health</b>							
Lakeside Home Residents' Trust Account, Wolseley .....	74,248	80,000	—	—	154,248	35,770	118,478

	Cash in Bank	Investments	Accounts Receivable	Other Assets	Total Assets	Liabilities	Fund Balance
<b>Trust Funds — (Concluded)</b>							
<b>Health — (Concluded)</b>							
The Psychiatric Centre, Weyburn:							
Grants and Donations Trust Fund .....	1,863	—	—	—	1,863	—	1,863
Patients Trust Account .....	1,426	—	—	—	1,426	300	1,126
The Saskatchewan Hospital, North Battleford:							
Patients Trust Account .....	31,431	14,880	209	—	46,520	—	46,520
Grants and Donations .....	2,719	—	—	—	2,719	—	2,719
<b>Justice</b>							
Chief Surveyor's Land Titles Trust Account .....	8,848	—	472	—	9,320	—	9,320
Danielson Park Inmates Trust .....	5,455	—	—	—	5,455	—	5,455
Judicial Centre Operations Accounts .....	273,697	—	1,822	—	275,519	—	275,519
Land Registrar's Operations Account .....	237,761	—	228,397	—	466,158	—	466,158
Surface Rights Arbitration Board Trust Account .....	20,048	—	—	—	20,048	—	20,048
Local Registrar's Operations Account .....	370,364	—	12	—	370,376	—	370,376
Meadow Lake Camp							
Inmates Trust Account .....	3,311	—	4,309	—	7,620	—	7,620
North Battleford Community Training Residence							
Joint Trust Account .....	22,280	9,804	383	—	32,467	—	32,467
North Battleford Correctional Centre:							
Inmates Trust Account .....	1,886	—	2,441	—	4,327	2,009	2,318
Director's Suspense Account .....	1,798	—	43	—	1,841	1,472	369
Northern Corrections Branch, Besnard Lake							
Inmates Trust Account .....	871	—	6,710	—	7,581	722	6,859
Northern Corrections Branch, Buffalo Narrows							
Inmates Trust Account .....	1,033	—	1,539	—	2,572	1,062	1,510
Pine Grove Correctional Centre, Prince Albert							
Inmate Collective Benefit Fund .....	1,481	—	—	—	1,481	—	1,481
Inmates Trust Account .....	5,346	—	—	—	5,346	—	5,346
Director's Suspense Account .....	3,827	—	173	—	4,000	—	4,000
Prince Albert Community Training Residence							
Joint Trust Account .....	3,579	4,902	—	—	8,481	—	8,481
Province of Saskatchewan Court Accounts .....	5,349,326	4,818,464	—	—	10,167,790	—	10,167,790
Provincial Correctional Centre, Prince Albert:							
Inmates Trust Account .....	4,681	—	17,878	—	22,559	—	22,559
Director's Suspense Account .....	2,313	—	—	—	2,313	—	2,313
Provincial Correctional Centre, Regina:							
Inmates Trust Account .....	34,629	—	14,030	—	48,659	—	48,659
Director's Suspense Account .....	883	—	—	—	883	—	883

<b>Provincial Correctional Centre,</b>									
<b>Saskatoon:</b>									
Inmates Collective Benefit Fund .....	2,911	—	—	—	2,911	—	—	2,911	—
Inmates Trust Account .....	28,701	—	3,721	—	32,422	10,768	—	21,654	—
<b>Public Trustee:</b>									
Trust Account .....	(22,429)	58,261,898	1,643,817	5,149,854	65,033,140	1,364,363	—	63,668,777	—
Imprest Account .....	2,000	—	—	—	2,000	—	—	2,000	—
Regina Community Training Residence									
Joint Trust Account .....	10,418	4,286	11,025	11,820	37,549	250	—	37,299	—
<b>Saskatoon Community Training Residence</b>									
Joint Trust Account .....	20,378	29,413	1,477	—	51,268	20	—	51,248	—
Sheriff's Office and Trust Accounts .....	159,333	—	—	—	159,333	—	—	159,333	—
White Gull Camp:									
Inmates Trust Account .....	6,022	—	4,849	—	10,871	—	—	10,871	—
<b>Labour</b>									
Wage Collection Trust Account .....	115,324	—	—	—	115,324	—	—	115,324	—
<b>Revenue and Financial Services</b>									
Administration Branch Suspense									
Account .....	4,934	19,692	—	—	24,626	—	—	24,626	—
Public Employees Dental Plan .....	112,007	4,485,095	328,551	—	4,925,653	301,863	—	4,623,790	—
Public Employees Disability Income Plan .....									
Public Employees Group Life Plan .....	128,457	13,358,036	609,125	—	14,095,618	130,814	—	13,964,804	—
Canada Savings Bond Account .....	51,587	8,590,049	545,009	—	9,186,645	2,659,216	—	6,527,429	—
Mortgage Interest Reduction Plan									
Account .....	478	—	—	—	478	—	—	468	—
Mortgage Protection Plan Account .....	889	—	—	—	889	478	—	—	—
<b>Social Services</b>									
Dales House .....	179	—	—	—	179	—	—	179	—
Kilburn Hall .....	230	—	—	—	230	—	—	230	—
North Park Centre, Prince Albert									
Patients Trust Account .....	7,761	5,000	—	1,454	14,215	—	—	14,215	—
Social Services General Trust									
Account (1) .....	2,084	—	195	—	2,279	—	—	2,279	—
Social Services Central Trust									
Account (1) .....	4,492	23,000	312	—	27,804	—	—	27,804	—
Valley View Centre, Moose Jaw:									
Grants and Donations Trust Fund .....	39,122	—	6,357	—	45,479	—	—	45,479	—
Patients Trust Account .....	130,703	—	627	—	131,330	6,357	—	124,973	—
Creighton Community Youth Residence:									
Resident Trust Account .....	1,138	—	652	1,217	3,007	—	—	3,007	—
Kenossee Youth Work Camp:									
Resident Trust Account .....	1,423	—	—	1,110	2,533	—	—	2,533	—
North Battleford Youth Centre:									
Resident Trust Account .....	471	—	—	—	471	—	—	471	—
Saskatoon Community Youth Residence:									
Resident Trust Account .....	322	—	2,097	40	2,459	54	—	2,405	—
<b>Urban Affairs</b>									
Northern Revenue Sharing Trust									
Account .....	8,940,023	—	865,124	50,314	9,855,461	2,263,666	—	7,591,795	—
<b>\$</b>	<b>20,171,413</b>	<b>\$ 90,320,738</b>	<b>\$ 6,092,134</b>	<b>\$ 5,726,254</b>	<b>\$ 122,310,539</b>	<b>\$ 11,572,482</b>	<b>\$</b>	<b>110,738,057</b>	<b>\$</b>

	Cash in Bank	Investments	Accounts Receivable	Other Assets	Total Assets	Liabilities	Fund Balance
<b>Special Purpose Funds</b>							
<b>Advanced Education and Manpower</b>							
Student Aid Fund (2) .....	\$ 361,392	\$ 6,776,072	\$ 4,020,718	—	\$ 11,158,182	\$ 7,048,256	\$ 4,109,926
<b>Agriculture</b>							
Agricultural Implements Compensation Fund (2) .....	5,629	58,938	236	—	64,803	—	64,803
Land Clearing Account .....	1,586,480	—	—	—	1,586,480	—	1,586,480
Saskatchewan Agricultural Research Fund (2) .....	136,025	3,526,323	83,765	—	3,746,113	492,835	3,253,278
Saskatchewan Beef Stabilization Board (2) .....	718,006	—	217,691	306,221	1,241,918	75,778	1,166,140
Saskatchewan Agricultural Returns Stabilization Fund:							
Cow-Calf-to-Finish Market Insurance Plan .....	1,160,463	—	2,571,817	—	3,732,280	53,102,475	(49,370,195)
Feeder Finish Market Insurance Plan ..	1,318,379	—	1,200,283	—	2,518,662	11,132,458	(8,613,796)
Saskatchewan Hog Assured Returns Program (2) .....	41,437	—	640,987	—	682,424	24,167,493	(23,485,069)
Saskatchewan Sheep and Wool Marketing Commission (1)(3) .....	41,917	—	14,575	16,472	72,964	23,580	49,384
Saskatchewan Vegetable Marketing Commission (1) .....	10,816	—	—	2,797	13,613	6,168	7,445
<b>Alcoholism Commission</b>							
Contingency Fund (2) .....	1,547	69,611	—	—	71,158	—	71,158
General Fund (2) .....	795,063	—	25,810	490,613	1,311,486	592,503	718,983
<b>Energy and Mines</b>							
Suspense Account .....	2,157,899	—	—	—	2,157,899	—	2,157,899
<b>Farm Purchase Program Fund (1) .....</b>	<b>350,822</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>350,822</b>	<b>—</b>	<b>350,822</b>
<b>Health</b>							
The Psychiatric Centre, Weyburn Bazaar Account .....	26,590	172,991	300	19,015	218,896	37	218,859
The Saskatchewan Hospital, North Battleford:							
Bazaar Account .....	12,077	109,121	18,801	87,922	227,921	134	227,787
Canteen Account .....	20,819	39,680	—	8,785	69,284	—	69,284
<b>Justice</b>							
Land Titles Assurance Fund (1) .....	2,719	72,281	—	—	75,000	—	75,000
Maintenance Enforcement Program Account .....	1,590	—	—	—	1,590	—	1,590
North Battleford Correctional Centre Handicraft Account .....	367	—	245	—	612	—	612
Northern Corrections Branch, La Ronge Special Account .....	14,409	—	—	—	14,409	—	14,409
Pine Grove Correctional Centre, Prince Albert							
Handicraft Account .....	4,667	—	66	10,524	15,257	2,299	12,958
Provincial Correctional Centre, Prince Albert							
Handicraft Account .....	18,432	—	4,094	28,361	50,887	2,659	48,228
Provincial Correctional Centre, Regina Handicraft Account .....	8,684	—	11,501	58,028	78,213	1,982	76,231



## Provincial Correctional Centre,

## Saskatoon:

Handicraft Account .....	2,629	50	5,298	11,177	19,154	5,811	13,343
Public Trustee Fees Account .....	4,082	—	—	—	4,082	—	4,082
<b>The Market Development Fund (2) .....</b>	<b>—</b>	<b>—</b>	<b>284,197</b>	<b>—</b>	<b>284,197</b>	<b>—</b>	<b>284,197</b>
<b>Parks and Renewable Resources</b>							
Wildlife Development Fund (2) .....	73,955	900,542	59,127	4,817,129	5,850,753	92,167	5,758,586
<b>Saskatchewan Medical Care Insurance Fund (2) .....</b>	<b>(225,371)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(225,371)</b>	<b>—</b>	<b>(225,371)</b>
<b>Social Services</b>							
North Park Centre, Prince Albert:							
Bazaar Account .....	311	20,000	—	7,024	27,335	16	27,319
Canteen Account .....	2,046	—	—	7,137	9,183	2	9,181
Valley View Centre, Moose Jaw:							
Bazaar Account .....	821	—	6,115	12,498	19,434	(62)	19,496
Canteen Account .....	12,233	—	1,700	9,725	23,658	13,222	10,436
<b>Special Projects Fund (1) .....</b>	<b>—</b>	<b>—</b>	<b>94,817</b>	<b>—</b>	<b>94,817</b>	<b>—</b>	<b>94,817</b>
<b>Total Superannuation, Trust and Special Purpose Funds .....</b>	<b>\$ 8,666,935</b>	<b>\$ 11,745,609</b>	<b>\$ 9,262,143</b>	<b>\$ 5,893,428</b>	<b>\$ 35,568,115</b>	<b>\$ 96,759,813</b>	<b>\$ (61,191,698)</b>
<b>Total Superannuation, Trust and Special Purpose Funds .....</b>	<b>\$ 24,176,174</b>	<b>\$ 1,241,618,824</b>	<b>\$ 38,587,063</b>	<b>\$ 1,810,947</b>	<b>\$ 1,306,193,008</b>	<b>\$ 125,485,746</b>	<b>\$ 1,180,707,262</b>

(1) Financial Statements are included in this Volume of the Public Accounts

(2) Report Tabled in Legislature

(3) At December 31, 1986



*Financial Statements of Revolving Funds*

## Kelsey Institute of Applied Arts and Sciences Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the balance sheet of the Kelsey Institute of Applied Arts and Sciences Revolving Fund as at March 31, 1987 and the statements of operations and accumulated operating surplus and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1987 and the results of its operations and its financing activities for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
September 29, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As at March 31

### Statement 1

	1987	1986
<b>Assets</b>		
Current:		
Cash .....	\$ 1,000	\$ 1,000
Accounts receivable .....	28,421	21,384
Inventories (Note 2) .....	414,668	403,892
	<u>\$ 444,089</u>	<u>\$ 426,276</u>
<b>Liabilities and Fund Equity</b>		
Current Liabilities:		
Accounts payable and other .....	\$ 528	\$ 36,745
Fund Equity:		
Accumulated net expenditure (Statement 3) .....	222,078	253,560
Accumulated operating surplus (Statement 2) .....	221,483	135,971
	<u>443,561</u>	<u>389,531</u>
	<u>\$ 444,089</u>	<u>\$ 426,276</u>

(See accompanying notes to the financial statements)

# Kelsey Institute of Applied Arts and Sciences Revolving Fund

Statement 2

## Statement of Operations and Accumulated Operating Surplus

Year Ended March 31

	1987					1986	
	Barbering	Cosmetology	Dental Assistants	Bookstore	Cafeteria	Shops	Total
Revenue:							
Sales .....	\$ —	\$ —	\$ —	\$ 980,584	\$ 760,272	\$ 251,948	\$ 1,992,784
Cost of sales .....	—	—	—	728,788	502,192	235,394	1,466,374
Gross profit .....	—	—	—	251,776	258,080	16,554	526,410
Other revenue .....	11,034	7,441	576	237	—	—	19,288
Training cost recoveries .....	—	—	—	—	27,019	—	27,019
	11,034	7,441	576	252,013	285,099	16,554	572,717
Expenses:							
Wages .....	—	20,243	—	50,057	261,830	9,655	341,785
Supplies .....	11,111	2,003	2,143	—	32,680	1,834	49,771
Other .....	4,042	—	—	11,249	13,860	527	29,678
	15,153	22,246	2,143	61,306	308,370	12,016	421,234
Net income (loss) .....	\$ (4,119)	\$ (14,805)	\$ (1,567)	\$ 190,707	\$ (23,271)	\$ 4,538	\$ 151,483
Accumulated operating surplus, beginning of year .....							135,971
Accumulated operating surplus paid to Consolidated Fund .....							(65,971)
Accumulated operating surplus, end of year — to Statement 1 .....							\$ 221,483
							\$ 135,971

(See accompanying notes to the financial statements)

## Kelsey Institute of Applied Arts and Sciences Revolving Fund

### Statement of Financing Activities and Accumulated Net Expenditure

### Statement 3

Year Ended March 31

	1987	1986
Financing requirements of the Revolving Fund:		
Repayment of prior year's net income .....	\$ 65,971	\$ 105,066
Working capital changes:		
Increase (decrease) in accounts receivable .....	7,037	3,576
Increase (decrease) in inventory .....	10,776	17,960
(Increase) decrease in accounts payable .....	36,217	(30,101)
	54,030	(8,565)
	120,001	96,501
Less amount financed by operations:		
Net income .....	151,483	65,971
Net cash expenditure (recovery) .....	(31,482)	30,530
Accumulated net expenditure, beginning of year .....	253,560	223,030
Accumulated net expenditure, end of year — to Statement 1 .....	\$ 222,078	\$ 253,560

(See accompanying notes to the financial statements)

### Notes to the Financial Statements

March 31, 1987

#### 1. Accounting Policies

##### (a) Authority and Definition of Reporting Entity

The authority for this Revolving Fund was originally contained in Section 9 of The Department of Continuing Education Act and is continued under Section 15 of The Department of Advanced Education and Manpower Act. The purpose of the Revolving Fund is to finance and provide a system of accounting for the commercial and semi-commercial activities of the Institute, including barbering and cosmetology, bookstore, cafeteria and shop operations, effective from April 1, 1982.

##### (b) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- Disbursements made within 30 days after the fiscal year-end for liabilities incurred prior to year-end are recorded as paid in the previous year.

##### (c) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided by) operating deficits (surpluses) of the Revolving Fund.

##### (d) Accumulated Net Expenditure

The accumulated net expenditure of the Revolving Fund includes the following:

- amounts due to the Minister of Finance as at March 31, 1982 and assumed by the Revolving Fund in respect of working capital advances made to the Kelsey Institute of Applied Arts and Sciences Advance Account at that date. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of Revolving Fund activities as budgetary transactions.
- net cash expenditure (recovery) for each fiscal year thereafter.

##### (e) Authorized Financing

Section 15(8) of The Department of Advanced Education and Manpower Act provides for a maximum amount of accumulated net expenditures which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. A maximum amount of \$800,000 was established by Order-in-Council in September, 1985.

##### (f) Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 15(4) of The Department of Advanced Education and Manpower Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Kelsey Institute of Applied Arts and Sciences Revolving Fund shall be \$70,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.



## Kelsey Institute of Applied Arts and Sciences Revolving Fund

### Notes to Financial Statements — (Concluded)

#### 1. Accounting Policies — (Concluded)

##### (g) Fixed Assets

All the fixed assets used in the commercial and semi-commercial activities of the Institute are charged to the appropriation of the Department of Advanced Education and Manpower. No charge for the use of these assets is reflected in the records of the Revolving Fund.

##### (h) Valuation of Inventories

Inventories for sale and supplies are valued at the lower of cost and net realizable value.

#### 2. Inventories

	1987	1986
Bookstore .....	\$ 302,341	\$ 309,384
Cafeteria .....	54,311	44,809
Shops — work in progress .....	24,141	18,888
— automobiles .....	18,195	12,600
— parts .....	3,706	2,608
Prepaid expenses .....	11,974	15,603
	<u>\$ 414,668</u>	<u>\$ 403,892</u>

Prepaid expenses consist of cosmetology and barbershop supplies used in the course of providing these services as well as kitchen supplies used in the course of producing prepared foods.

#### 3. Related Party Transactions

In accordance with the Department's interpretation of the Act and regulations, the Revolving Fund has been charged with the wages of all non-instructional employees directly engaged in the resale activities of the Institute. The Revolving Fund, however, has not been charged with any occupancy costs or for general administrative and employee benefit costs. These costs are borne directly, in accordance with established government practice, by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

## Saskatchewan Technical Institute Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the balance sheet of the Saskatchewan Technical Institute Revolving Fund as at March 31, 1987 and the statements of operations and accumulated operating surplus and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1987 and the results of its operations and its financing activities for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
August 14, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As at March 31

### Statement 1

	1987	1986
<b>Assets</b>		
Current:		
Cash on hand .....	\$ 300	\$ 300
Accounts receivable .....	17,998	4,204
Inventories (Note 3) .....	197,738	190,773
	<u>\$ 216,036</u>	<u>\$ 195,277</u>
<b>Liabilities and Fund Equity</b>		
Liabilities:		
Accounts payable .....	\$ 11,371	\$ 2,390
Fund equity:		
Accumulated net expenditure (Statement 3) .....	83,114	67,667
Accumulated operating surplus (Statement 2) .....	121,551	125,220
	<u>204,665</u>	<u>192,887</u>
	<u>\$ 216,036</u>	<u>\$ 195,277</u>

(See accompanying notes to the financial statements)

## Saskatchewan Technical Institute Revolving Fund

### Statement of Operations and Accumulated Operating Surplus Year Ended March 31

Statement 2

	1987					1986
	<i>Bookstore</i>	<i>Cafeteria</i>	<i>Training for Industry Program</i>	<i>Shop Stores</i>	<i>Total</i>	<i>Total</i>
Sales .....	\$ 529,282	\$ 354,408	\$ 107,552	\$ 139,805	\$ 1,131,047	\$ 993,258
Cost of goods sold .....	429,072	196,765	102,550	111,163	839,550	703,442
Gross profit .....	100,210	157,643	5,002	28,642	291,497	289,816
Operating Costs:						
Wages .....	22,901	142,659	.....	22,324	187,884	185,467
Laundry .....	.....	5,770	.....	.....	5,770	7,414
Paper and cleaning supplies .....	.....	15,395	.....	.....	15,395	11,620
Other (recoveries) ....	641	178	.....	78	897	95
	23,542	164,002	.....	22,402	209,946	204,596
Net income for the year	\$ 76,668	\$ (6,359)	\$ 5,002	\$ 6,240	81,551	85,220
Accumulated operating surplus, beginning of year .....					125,220	140,228
Accumulated operating surplus paid to the Consolidated Fund .....					(85,220)	(100,228)
Accumulated operating surplus, end of year — to Statement 1 .....					\$ 121,551	\$ 125,220

(See accompanying notes to the financial statements)

### Statement of Financing Activities and Accumulated Net Expenditure Year Ended March 31

Statement 3

	1987	1986
Financing Requirements of the Revolving Fund:		
Accumulated operating surplus paid to the Consolidated Fund .....	\$ 85,220	\$ 100,228
Working capital changes:		
Increase (decrease) in accounts receivable .....	13,794	(19,537)
Increase (decrease) in inventory .....	6,966	(3,149)
(Increase) decrease in accounts payable and accrued liabilities .....	(8,982)	(995)
	11,778	(23,681)
	96,998	76,547
Less amount financed by operations:		
Net income .....	81,551	85,220
Net cash expenditure (recovery) .....	15,447	(8,673)
Accumulated net expenditure, beginning of year .....	67,667	76,340
Accumulated net expenditure, end of year — to Statement 1 .....	\$ 83,114	\$ 67,667

(See accompanying notes to the financial statements)

### Notes to the Financial Statements

March 31, 1987

#### 1. Accounting Policies

##### (a) Authority and Definition of Accounting Entity

The authority for this Revolving Fund was originally contained in Section 9.2(2) of The Department of Continuing Education Act and is continued under Section 16 of The Department of Advanced Education and Manpower Act. The purpose of the Revolving Fund is to finance and provide a system of accounting for the commercial and semi-commercial activities of the Institute, effective from April 1, 1982 and the Training for Industry Program effective from April 1, 1986.

## Saskatchewan Technical Institute Revolving Fund

### Notes to Financial Statements — (Concluded)

#### 1. Accounting Policies — (Concluded)

##### (b) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Revenues received in the month of April which apply to the preceding fiscal year are recorded as received in the preceding fiscal year.
- ii) Disbursements made in the month of April which are for goods and services received in the preceding fiscal year are recorded as paid in the preceding fiscal year.

##### (c) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and financing of (provided by) operating deficits (surpluses) of the Revolving Fund.

##### (d) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- i) Amounts due to the Minister of Finance as at March 31, 1982 and assumed by the Revolving Fund in respect of working capital advances made to the Saskatchewan Technical Institute Advance Account at that date. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of Revolving Fund activities as budgetary transactions.
- ii) Net cash expenditure (recovery) for each fiscal year thereafter.

##### (e) Authorized Financing

Section 16(8) of The Department of Advanced Education and Manpower Act provides for a maximum amount of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. A maximum amount of \$525,000 was established by Order-in-Council in October, 1986.

##### (f) Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 16(4) of The Department of Advanced Education and Manpower Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Saskatchewan Technical Institute Revolving Fund shall be \$40,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.

##### (g) Valuation of Inventories

Inventories for sale and supplies are valued at the lower of cost and net realizable value.

#### 2. Related Party Transactions

In accordance with the Department's interpretation of the Act and regulations, the Revolving Fund has been charged with the wages for the Training for Industry Program and all non-instructional employees directly engaged in the resale activities of the Institute. The Revolving Fund, however, has not been charged with any occupancy costs or for general administrative and employee benefit costs. These costs are borne directly, in accordance with established government practice, by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

All fixed assets used in the commercial and semi-commercial activities of the Institute are charged to the appropriation of the Department of Advanced Education and Manpower. No charge for the use of these assets is provided for in the records of the Revolving Fund.

#### 3. Inventories

	1987	1986
Bookstore .....	\$ 108,246	\$ 131,491
Cafeteria .....	37,376	26,074
Shop stores — parts .....	14,287	9,317
— work in progress .....	1,904	1,916
— automobiles .....	35,925	21,975
Total Inventory .....	\$ 197,738	\$ 190,773

The automobiles are used as materials in the teaching of motor mechanics and auto body repairs.

#### 4. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

## Wascana Institute of Applied Arts and Sciences Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the balance sheet of the Wascana Institute of Applied Arts and Sciences Revolving Fund as at March 31, 1987 and the statements of operations and accumulated operating surplus and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
November 30, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As At March 31

### Statement 1

	1987	1986
<b>Assets</b>		
Current:		
Cash .....	\$ 550	\$ 550
Accounts receivable .....	52,644	37,786
Inventories (Notes 1 (h) and 3) .....	244,770	250,828
	<u>\$ 297,964</u>	<u>\$ 289,164</u>
<b>Liabilities and Fund Equity</b>		
Current Liabilities:		
Accounts payable .....	\$ 2,714	\$ 917
Fund Equity:		
Accumulated net expenditure (Statement 3) .....	256,230	247,908
Accumulated operating surplus (Statement 2) .....	39,020	40,339
Total Equity .....	<u>295,250</u>	<u>288,247</u>
	<u>\$ 297,964</u>	<u>\$ 289,164</u>

(See accompanying notes to the financial statements)

### Statement of Operations and Accumulated Operating Surplus

Year Ended March 31

### Statement 2

	1987			1986
	Bookstore	Other Sales	Total	Total
Sales .....	\$ 478,685	\$ 88,446	\$ 567,131	\$ 576,605
Cost of goods sold .....	441,182	75,288	516,470	501,376
Gross profit .....	37,503	13,158	50,661	75,229
Other revenue .....	216	41,904	42,120	231
	<u>37,719</u>	<u>55,062</u>	<u>92,781</u>	<u>75,460</u>
Administrative expenses:				
Wages .....	43,972	22,662	66,634	53,647
Other .....	1,276	5,851	7,127	1,474
	<u>45,248</u>	<u>28,513</u>	<u>73,761</u>	<u>55,121</u>
Net income (loss) for year .....	<u>\$ (7,529)</u>	<u>\$ 26,549</u>	<u>19,020</u>	<u>20,339</u>
Accumulated operating surplus, beginning of year (Note 1 (f)) .....			40,339	88,106
Accumulated operating surplus paid to Consolidated Fund .....			(20,339)	(68,106)
Accumulated operating surplus, end of year — to Statement 1 .....			<u>\$ 39,020</u>	<u>\$ 40,339</u>

(See accompanying notes to the financial statements)



## Wascana Institute of Applied Arts and Sciences Revolving Fund

### Statement of Financing Activities and Accumulated Net Expenditure

Year Ended March 31

### Statement 3

	1987	1986
Financing requirements of the Revolving Fund:		
Repayment of prior year's net income of Revolving Fund .....	\$ 20,339	\$ 68,106
Working capital changes:		
Increase in accounts receivable .....	14,858	735
Increase (decrease) in inventories .....	(6,058)	64,402
(Increase) in accounts payable .....	(1,797)	(891)
	7,003	64,246
	27,342	132,352
Less amount financed by operations:		
Net income .....	19,020	20,339
Net cash expenditure .....	8,322	112,013
Accumulated net expenditure, beginning of year (Note 1(d)) .....	247,908	135,895
Accumulated net expenditure, end of year — to Statement 1 .....	\$ 256,230	\$ 247,908

(See accompanying notes to the financial statements)



## Wascana Institute of Applied Arts and Sciences Revolving Fund

### Notes to Financial Statements

March 31, 1987

#### 1. Accounting Policies

##### (a) Authority and Definition of Reporting Entity

The authority for this Revolving Fund was originally contained in Section 9 of The Department of Continuing Education Act and is continued under Section 17 of The Department of Advanced Education and Manpower Act. The purpose of the Revolving Fund is to finance and provide a system of accounting for the commercial and semi-commercial activities of the Institute, including bookstore and shop operations.

##### (b) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- (i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- (ii) Disbursements made within 30 days after the fiscal year-end which were incurred prior to the year-end are recorded as paid in the previous year.

##### (c) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided by) operating deficits (surpluses) of the Revolving Fund.

##### (d) Accumulated Net Expenditure

The accumulated net expenditure of the fund includes the following:

- (i) amounts due to the Minister of Finance as at March 31, 1982 and assumed by the Revolving Fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- (ii) net cash expenditure (recovery) for each fiscal year thereafter.

##### (e) Authorized Financing

Section 17(8) of The Department of Advanced Education and Manpower Act provides for a maximum amount of accumulated net expenditures which may at any time be outstanding to be set by order of the Lieutenant Governor-in-Council. A maximum amount of \$510,000 was established by Order-in-Council in October, 1986.

##### (f) Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 17(4) of The Department of Advanced Education and Manpower Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Wascana Institute of Applied Arts and Sciences Revolving Fund shall be \$20,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.

##### (g) Fixed Assets

All the fixed assets used in the commercial and semi-commercial activities of the Institute are charged to the appropriation of Department of Advanced Education and Manpower. No charge for the use of these assets is provided for in the records of the Revolving Fund.

##### (h) Valuation of Inventories

Inventories for sale and supplies are valued at the lower of cost and net realizable value.

#### 2. Costs Borne by Other Agencies

In accordance with established government practice, the Revolving Fund has not been charged with certain costs including occupancy, financing, general administrative and printing services costs. These costs have been absorbed by various departmental appropriations and therefore no provisions for such costs is reflected in these financial statements.

#### 3. Inventories

	1987	1986
Wascana Bookstore — Parkway .....	\$ 48,293	\$ 74,916
Business Extension — Albert South .....	73,132	62,977
Dental Division — St. John .....	15,598	9,327
Agricultural Division — Maxwell .....	11,781	20,161
Industrial Division — Winnipeg North .....	95,966	83,447
	<u>\$ 244,770</u>	<u>\$ 250,828</u>

## Agricultural Supplies Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the balance sheet of Agricultural Supplies Revolving Fund as at March 31, 1987 and the statements of operations and accumulated operating deficit and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
May 22, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As At March 31

### Statement 1

	1987	1986
<b>Fund Assets</b>		
Current:		
Accounts receivable .....	\$ .....	\$ 13,710
Fixed assets (Note 4) .....	.....	1,373
	<u>\$ .....</u>	<u>\$ 15,083</u>
<b>Fund Equity</b>		
Accumulated net expenditure (Statement 3) .....	\$ 20,717	\$ 25,644
Accumulated operating deficit (Statement 2) .....	(20,717)	(10,561)
	.....	15,083
	<u>\$ .....</u>	<u>\$ 15,083</u>

(See accompanying notes to the financial statements)

### Statement of Operations and Accumulated Operating Deficit

Year Ended March 31

### Statement 2

	1987	1986
Sales .....	\$ .....	\$ 246,744
Cost of sales .....	.....	167,879
Gross profit .....	.....	78,865
Miscellaneous Revenue (Note 5) .....	70	13,065
	<u>70</u>	<u>91,930</u>
<b>Expenses:</b>		
Bad debt expense .....	325	3,642
Equipment rental .....	8,528	8,165
Salaries .....	.....	541
Depreciation of equipment .....	555	665
Miscellaneous .....	818	1,346
	<u>10,226</u>	<u>14,359</u>
Net (loss) profit .....	\$ (10,156)	\$ 77,571
Accumulated operating deficit, beginning of year .....	(10,561)	(435,747)
Accumulated operating deficit recovered from Consolidated Fund .....	.....	347,615
Accumulated operating deficit, end of year — to Statement 1 .....	<u>\$ (20,717)</u>	<u>\$ (10,561)</u>

(See accompanying notes to the financial statements)

## Agricultural Supplies Revolving Fund

### Statement of Financing Activities and Accumulated Net Expenditures

Statement 3

Year Ended March 31

	1987	1986
Financing Requirements:		
Partial recovery of prior years net losses .....	\$ .....	\$ (347,615)
Working capital changes		
Increase (decrease) in accounts receivable .....	(13,710)	4,015
Decrease in inventories .....	.....	(167,879)
	(13,710)	(163,864)
Total financing requirement .....	\$ (13,710)	\$ (511,479)
Add: Funds used in (Provided by) operations:		
Net loss (profit) from operations .....	\$ 10,156	\$ (77,571)
Items not involving outflow of funds:		
Depreciation of equipment .....	(555)	(665)
Loss on disposal of fixed assets .....	(818)	.....
Total funds used in (provided by) operations .....	\$ 8,783	\$ (78,236)
Net cash (recovery) .....	\$ (4,927)	\$ (589,715)
Accumulated net expenditure, beginning of year .....	25,644	615,359
Accumulated net expenditure, end of year (Statement 1) .....	\$ 20,717	\$ 25,644

(See accompanying notes to the financial statements)

### Notes to Financial Statements

March 31, 1987

#### 1. Accounting Policies

##### a) Authority and Definition of Entity

The authority for this revolving fund is contained in Section 14 of The Department of Agriculture Act. The purpose of the revolving fund is to purchase agricultural supplies for distribution or re-sale to farmers, rural municipalities or other organizations for use in agricultural operations.

##### b) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end which were incurred prior to the year-end are recorded as paid in the previous year.

##### c) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and financing of (provided by) operating deficits (surpluses) of the revolving fund.

##### d) Accumulated Net Expenditure

The accumulated net expenditure of the fund includes the following:

- i) amounts due to the Minister of Finance as at March 31, 1982 and assumed by the revolving fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- ii) net cash expenditure (recovery) for each fiscal year thereafter.

##### e) Authorized Financing

Section 14(11) of The Department of Agriculture Act provides for a maximum amount of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. A maximum amount of \$4,000,000 was established by Order-in-Council in May, 1983.

## Agricultural Supplies Revolving Fund

### Notes to Financial Statements — (Concluded)

#### 1. Accounting Policies — (Concluded)

##### f) Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 14(5) of The Department of Agriculture Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the revolving fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Agricultural Supplies Revolving Fund shall be \$100,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.

##### g) Depreciation

Depreciation on equipment is calculated at the rate of 10% per annum on the straight line basis.

#### 2. Costs Borne by Other Agencies

In accordance with established government policy, the revolving fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

#### 3. Inventory

The remaining 8550 gallons of Endrin was transferred to the Department of Agriculture during the 1986-87 fiscal year. The value of this chemical which can no longer be used in Canada had been written-off in previous years.

#### 4. Fixed Assets

	1987			1986
	Accumulated Cost	Depreciation	Net Book Value	Net Book Value
Equipment . . . . .	\$ . . . . .	\$ . . . . .	\$ . . . . .	\$ 1,373

#### 5. Miscellaneous Revenue

This includes accounts receivable totalling \$70 collected during the year which had previously been written off.

## Conservation and Development Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the balance sheet of the Conservation and Development Revolving Fund as at March 31, 1987 and the statements of operation and accumulated operating surplus (deficit), financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
November 2, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As At March 31

### Statement 1

	1987	1986
<b>Assets</b>		
Current:		
Inventories		
— Livestock	\$ 2,476,067	\$ 2,483,772
— Feeds, fuel and other	266,822	311,758
Prepaid license and insurance	1,831	2,648
Investments — cost	5,000	5,000
	<u>2,749,720</u>	<u>2,803,178</u>
Fixed assets (Note 3)	1,267,267	1,372,824
	<u>\$ 4,016,987</u>	<u>\$ 4,176,002</u>
<b>Liabilities and Fund Equity</b>		
Current:		
Accounts payable	\$ 3,676	\$ 9,190
Fund Equity:		
Accumulated net expenditure (Statement 3)	3,712,420	4,412,589
Accumulated operating surplus (deficit) (Statement 2)	300,891	(245,777)
	<u>4,013,311</u>	<u>4,166,812</u>
	<u>\$ 4,016,987</u>	<u>\$ 4,176,002</u>

(See accompanying notes to the financial statements)

### Statement of Operations and Accumulated Operating Surplus (Deficit)

Year Ended March 31

### Statement 2

	1987	1986
Revenue:		
Cattle and hog sales	\$ 1,398,033	\$ 665,520
Expenses:		
Operating (Schedule 1)	2,123,698	1,840,831
Production Margin	(725,665)	(1,175,311)
Office salaries and administration	77,667	89,232
Net (loss) (Statement 3)	(803,332)	(1,264,543)
Accumulated operating surplus (deficit) beginning of year	(245,777)	(2,631,679)
Accumulated operating deficit recovered from Consolidated Fund	1,350,000	3,650,445
Accumulated operating surplus (deficit) end of year (Statement 1)	<u>\$ 300,891</u>	<u>\$ (245,777)</u>

(See accompanying notes to the financial statements)



## Conservation and Development Revolving Fund

### Statement of Financing Activities and Accumulated Net Expenditure

### Statement 3

Year Ended March 31

	1987	1986
Financing requirements of the Revolving Fund:		
Accumulated operating deficit recovered from Consolidated Fund .....	\$ (1,350,000)	\$ (3,650,445)
Net capital acquisitions:		
Purchase of fixed assets .....	104,059	350,745
Proceeds from sale of fixed assets .....	(7,138)	(98,938)
	96,921	251,807
Working capital requirements:		
Increase (decrease) in accounts receivable .....	—	(8,051)
Increase (decrease) in inventory .....	(52,641)	678,077
Increase (decrease) in prepaid expenses .....	(817)	(497)
(Increase) decrease in accounts payable .....	5,514	(838)
	(47,944)	668,691
Total financing requirements .....	(1,301,023)	(2,729,947)
Less amount required to finance operations:		
Net loss (Statement 2) .....	803,332	1,264,543
Items not affecting working capital		
— depreciation .....	(209,116)	(203,636)
— gain on disposal of fixed assets .....	6,638	67,064
	600,854	1,127,971
Net cash (recovery) .....	(700,169)	(1,601,976)
Accumulated net expenditure, beginning of year .....	4,412,589	6,014,565
Accumulated net expenditure, end of year (Statement 1) .....	\$ 3,712,420	\$ 4,412,589

(See accompanying notes to the financial statements)

### Notes to Financial Statements

March 31, 1987

#### 1. Accounting Policies

##### a) Authority of Reporting Entity

The authority for this Revolving Fund is contained in Section 16(2) of The Department of Agriculture Act. The purpose of the Revolving Fund is to manage northern farms.

##### b) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- Disbursements made within 30 days after the fiscal year-end which were incurred prior to year-end are recorded as paid in the previous year.

##### c) Net Cash (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided by) operating deficits (surpluses) of the Revolving Fund.

##### d) Accumulated Net Expenditure

The accumulated net expenditure of the fund includes the following:

- amounts due to the Minister of Finance as at March 31, 1982 and assumed by the Revolving Fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- net cash expenditure (recovery) for each fiscal year thereafter.

##### e) Authorized Financing

Section 16(11) of The Department of Agriculture Act, provides for a maximum amount of accumulated net expenditures which may at any time be outstanding to be set by order of the Lieutenant Governor-in-Council. A maximum amount of \$10,000,000 was established by Order-in-Council 1859/83.

## Conservation and Development Revolving Fund

### Notes to Financial Statements — (Concluded)

#### 1. Accounting Policies — (Concluded)

##### f) Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 16(5) of The Department of Agriculture Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Conservation and Development Revolving Fund shall be \$100,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year, be paid into (from) the Consolidated Fund.

##### g) Depreciation

Depreciation of fixed assets is calculated on a straight line basis with the current rates being 5% to 15%.

##### h) Inventory

Inventory is valued at the lower of cost and net realizable value.

#### 2. Related Party Transactions

In accordance with established government practice, the Revolving Fund has not been charged with certain costs including occupancy, financing, general administrative and printing services costs. These costs have been absorbed by various departmental appropriations, therefore no provision for such costs is reflected in these financial statements.

#### 3. Fixed Assets

	1987			1986	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value	
Buildings, machinery and equipment .....	\$ 2,521,505	\$ 1,254,238	\$ 1,267,267	\$ 1,372,824	

#### 4. Comparative Figures

Certain amounts for the prior year have been reclassified to conform with the presentation in 1987.

### Schedule of Operating Expenses

March 31

### Schedule 1

	1987	1986
Purchase of livestock .....	\$ 64,045	\$ 505,650
Wages and salaries .....	808,005	829,628
Fuel, oil and maintenance .....	451,355	413,247
Fertilizer and feed .....	335,998	223,523
Depreciation .....	209,116	203,636
Other .....	247,474	291,014
Decrease (increase) in livestock inventory .....	7,705	(625,867)
	<u>\$ 2,123,698</u>	<u>\$ 1,840,831</u>



## Saskatchewan Book Bureau Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the balance sheet of the Saskatchewan Book Bureau Revolving Fund as at March 31, 1987, and the statements of operations and accumulated operating surplus and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1987, and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
September 22, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

March 31, 1987

(with comparative figures for the previous year)

### Statement 1

	1987	1986
<b>Assets</b>		
Current:		
Petty cash .....	\$ 2,100	\$ 2,100
Accounts receivable .....	55,225	120,928
Inventory .....	923,114	1,274,709
Total current assets .....	980,439	1,397,737
Fixed:		
Office and warehouse equipment (Note 5) .....	14,118	16,631
	<u>\$ 994,557</u>	<u>\$ 1,414,368</u>
<b>Liabilities and Fund Equity</b>		
Current Liabilities:		
Accounts payable and accrued liabilities .....	\$ 38,061	\$ 8,673
Customer deposits and credits .....	1,686	673
Total current liabilities .....	39,747	9,346
Fund Equity:		
Accumulated net expenditure (Statement 3) .....	648,066	1,122,166
Accumulated operating surplus (Statement 2) .....	306,744	282,856
	<u>954,810</u>	<u>1,405,022</u>
	<u>\$ 994,557</u>	<u>\$ 1,414,368</u>

(See accompanying notes)

## Saskatchewan Book Bureau Revolving Fund

### Statement of Operations and Accumulated Operating Surplus

For the Year Ended March 31, 1987

(with comparative figures for the previous year)

### Statement 2

	1987	1986
Revenue:		
Sales .....	\$ 4,327,809	\$ 4,291,387
Cost of goods sold .....	3,680,610	3,685,279
Gross profit .....	647,199	606,108
Restocking charge on returned sales .....	7,042	6,325
	654,241	612,433
Operating Expenses:		
Salaries .....	387,160	388,930
Office and warehouse .....	75,630	55,082
Freight and express out .....	24,810	24,961
Telephone .....	3,708	4,019
Depreciation .....	3,744	3,928
Service and repair equipment .....	1,695	1,690
Travel .....	755	1,154
Bad debts .....	—	19
(Gain) loss on disposition of fixed assets .....	(5)	(206)
	497,497	479,577
Net income from operations .....	156,744	132,856
Accumulated operating surplus, beginning of year .....	282,856	311,380
Accumulated operating surplus, paid to Consolidated Fund .....	(132,856)	(161,380)
Accumulated operating surplus, end of year (Statement 1) .....	\$ 306,744	\$ 282,856

(See accompanying notes)

### Statement of Financing Activities and Accumulated Net Expenditure

For the Year Ended March 31, 1987

(with comparative figures for the previous year)

### Statement 3

	1987	1986
Financing requirements of the Revolving Fund		
Net capital acquisition:		
Purchase of fixed assets .....	\$ 1,231	\$ .....
Proceeds from sale of fixed assets .....	(5)	(250)
	1,226	(250)
Working capital changes:		
Increase (decrease) in accounts receivable .....	(65,703)	61,055
Increase (decrease) in inventories .....	(351,595)	300,163
Decrease (increase) in accounts payable and accrued liabilities .....	(30,401)	(6,561)
	(447,699)	354,657
Prior year's income (of Revolving Fund) transferable to (recoverable from)		
Consolidated Fund .....	132,856	161,380
	(313,617)	515,787
Less amount financed by operations:		
Net income .....	156,744	132,856
Items not requiring an outlay (inflow) of funds:		
— depreciation .....	3,744	3,928
— (gain) loss on disposal of fixed assets .....	(5)	(206)
	160,483	136,578
Net expenditure (recovery) .....	(474,100)	379,209
Accumulated net expenditure, beginning of year .....	1,122,166	742,957
Accumulated net expenditure, end of year (Statement 1) .....	\$ 648,066	\$ 1,122,166

(See accompanying notes)

## Saskatchewan Book Bureau Revolving Fund

### Notes to Financial Statements

March 31, 1987

#### 1. Accounting policies:

##### a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end which were incurred prior to year-end are recorded as paid in the previous year.

##### b) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided by) operating deficits (surpluses) of the revolving fund.

##### c) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- i) Amounts due to the Minister of Finance as at March 31, 1982 and assumed by the revolving fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- ii) Net cash expenditure (recovery) for each fiscal year thereafter.

##### d) Depreciation

Depreciation is provided on office and warehouse equipment on a straight line basis at an annual rate of 10% of acquisition value.

##### e) Inventory Valuation

A physical inventory of stock on hand was taken at the close of the Book Bureau's fiscal year March 31, 1987, and valued at the lower of average cost and net realizable value.

##### f) Pricing Policy

The Bureau's sales catalogue of books and educational materials and the retail list prices of the items therein are revised periodically by the management with a view to operating the revolving fund as close to the break even point as possible. For the 1986 and 1987 years, the retail list price of publications was based on invoice cost plus 16.5%.

#### 2. Authority and Definition of Entity

The authority for this revolving fund is contained in Section 12 of The Department of Education Act. The purpose of the Saskatchewan Book Bureau Revolving Fund is to finance and to provide a system of accounting for the purchase, sale and distribution of such school textbooks, workbooks, reference textbooks, related print and non-print materials as authorized by the Department of Education for use in Saskatchewan schools, and to serve as distributor and sales agent for publications and materials of the Department of Education and print materials of the Department of Advanced Education and Manpower.

#### 3. Authorized Financing

Section 12(8) of The Department of Education Act provides for a maximum amount of accumulated net expenditures which may at any time be outstanding to be set by order of the Lieutenant Governor-in-Council. The maximum amount has been set at \$4,000,000.

#### 4. Disposition of Accumulated Operating Surplus or Deficit

In accordance with section 12(4) of The Department of Education Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the revolving fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Book Bureau Revolving Fund shall be \$150,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.

#### 5. Office and Warehouse Equipment

	1987		1986	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Office equipment .....	\$ 10,666	\$ 6,379	\$ 4,287	\$ 3,833
Warehouse equipment .....	39,227	29,396	9,831	12,798
	<u>\$ 49,893</u>	<u>\$ 35,775</u>	<u>\$ 14,118</u>	<u>\$ 16,631</u>

Depreciation provided in the financial statements for the current year amounted to \$3,744 (1986 — \$3,928).

## Saskatchewan Book Bureau Revolving Fund

### Notes to Financial Statements — (Concluded)

6. **Related Party Transactions**

In accordance with established government policy the revolving fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

7. **Commitments**

The revolving fund is committed to the following approximate expenditures:

- (a) Mini-computer lease payments — \$82,000, 1987 to 1989.
- (b) Grade 7, 8 and 9 Social Studies Textbooks — \$1,265,000.00, 1987 to 1991.

## Highways Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the balance sheet of the Highways Revolving Fund as at March 31, 1987 and the statements of operations and accumulated operating surplus and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1987 and the results of its operations and its financing activities for the year then ended in accordance with the accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
November 17, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As at March 31

### Statement 1

	1987	1986
<b>Assets</b>		
Current:		
Accounts receivable (Note 5) .....	\$ 1,199,167	\$ 1,215,706
Construction work in progress .....	825,647	865,107
Inventories .....	3,833,757	3,793,036
	5,858,571	5,873,849
Fixed Assets (Note 6) .....	36,570,489	34,206,162
	<u>\$ 42,429,060</u>	<u>\$ 40,080,011</u>
<b>Liabilities and Fund Equity</b>		
Liabilities:		
Accounts payable .....	\$ 335,458	\$ 263,644
Unearned revenue .....	514,529	854,523
	849,987	1,118,167
Fund Equity:		
Accumulated net expenditure (Statement 3) .....	41,578,040	38,306,459
Accumulated operating surplus (Statement 2) .....	1,033	655,385
	41,579,073	38,961,844
	<u>\$ 42,429,060</u>	<u>\$ 40,080,011</u>

(See accompanying notes)

### Statement of Operations and Accumulated Operating Surplus

Year Ended March 31

### Statement 2

	1987	1986
<b>Revenue:</b>		
Sales or gross revenue .....	\$ 29,012,490	\$ 28,248,589
Other revenue .....	39,258	54,690
Gain on sale of fixed assets .....	28,905	14,137
Total revenue .....	29,080,653	28,317,416
<b>Expenses:</b>		
Cost of sales .....	16,186,536	15,519,073
Other operating expenses .....	12,141,141	11,471,849
Total Operating expenses .....	28,327,677	26,990,922
Gross margin .....	752,976	1,326,494
General expenses .....	1,407,328	1,095,775
Net (loss) income .....	(654,352)	230,719
Accumulated operating surplus, beginning of year .....	655,385	424,666
Accumulated operating surplus, end of year — to Statement 1 .....	<u>\$ 1,033</u>	<u>\$ 655,385</u>

(See accompanying notes)



## Highways Revolving Fund

### Statement of Financing Activities and Accumulated Net Expenditure Year Ended March 31

Statement 3

	1987	1986
Financing requirements of the Revolving Fund		
Net capital acquisitions:		
Purchase of fixed assets	\$ 5,771,821	\$ 3,848,859
Proceeds received from sale of fixed assets	(240,858)	(180,060)
	<u>5,530,963</u>	<u>3,668,799</u>
Working capital changes:		
Increase in accounts receivable	17,641	178,663
Increase in inventories	40,721	123,639
(Increase) decrease in accounts payable	(71,814)	134,448
Decrease (increase) in unearned revenue	339,994	(283,641)
(Decrease) increase in construction work in progress	(39,461)	183,281
	<u>287,081</u>	<u>336,390</u>
Total financing requirements	<u>5,818,044</u>	<u>4,005,189</u>
Less amounts financed by operations:		
Net (loss) income	(654,352)	230,719
Items not affecting working capital		
— depreciation	3,195,540	3,154,313
— gain on disposal of fixed assets	(28,905)	(14,137)
— bad debt expense	34,180	500
	<u>2,546,463</u>	<u>3,371,395</u>
Net cash expenditure	<u>3,271,581</u>	<u>633,794</u>
Accumulated net expenditure, beginning of year	38,306,459	37,672,665
Accumulated net expenditure, end of year — to Statement 1	<u>\$ 41,578,040</u>	<u>\$ 38,306,459</u>

(See accompanying notes)

### Notes to Financial Statements

March 31, 1987

#### 1. Accounting Policies

##### (a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- (i) Receipts received in the month of April which apply to sales of the preceding fiscal year are recorded as received in the preceding fiscal year.
- (ii) Disbursements made in the month of April which are for goods and services received in the preceding fiscal year are recorded as paid in the preceding fiscal year.

##### (b) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and financing of (provided by) operating deficits (surpluses) of the Revolving Fund.

##### (c) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- (i) Amounts due to the Minister of Finance as at March 31, 1982 and assumed by the Revolving Fund in respect of working capital advances made to the Highways Advance Account at that date. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- (ii) Net cash expenditure (recovery) for each fiscal year thereafter.
- (iii) The transfer amount of assets acquired at no charge. Treasury Board policy requires that assets acquired (disposed of) by a Revolving Fund, from (to) another government agency, be recorded at the lower of net book value or fair market value with a corresponding entry to the accumulated net expenditure account.



## Highways Revolving Fund

### Notes to Financial Statements — (Continued)

#### 1. Accounting Policies — (Concluded)

##### (d) Disposition of Accumulated Operating Surplus or Deficit

In accordance with Subsection 14(4) of The Department of Highways and Transportation Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Highways Revolving Fund shall be \$1,000,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year, be paid to (from) the Consolidated Fund.

##### (e) Inventories

Inventories are valued at the lower of original cost, as determined on a global moving average basis, and replacement cost.

##### (f) Construction and Maintenance Equipment

Construction and maintenance equipment, including expenditures which renovate or modify the equipment and result in a corresponding increase in the useful life of the equipment, are recorded at cost or as determined in Note 1(c)(iii).

##### (g) Depreciation

###### (i) Construction and Maintenance Equipment

Construction and maintenance equipment is depreciated on a unit of use basis (hours or kms). The depreciation rate per unit of use for each item is calculated to recover the capital cost of that item, less residual value, over the life expectancy of the equipment.

###### (ii) Other Equipment

Salt storage bins are depreciated on a straight-line basis at a rate of 5% per year.

For all other equipment, depreciation is calculated as follows:

- Items costing \$1,000 or more are depreciated on the straight line basis at a rate of 10% per year.
- Items costing less than \$1,000 are depreciated at a flat rate of \$100 per year.

###### (iii) Central Vehicle Agency Units

Major additions or modifications made to motor vehicle units leased from the Central Vehicle Agency Revolving Fund are treated as capital cost additions. Depreciation is calculated on the capital cost additions for a unit on a straight line basis over the remaining term of the lease for that unit.

##### (h) Equipment Rental Rates

The rental rates charged by the Revolving Fund for use of its construction and maintenance equipment are calculated to return to the Revolving Fund by way of rentals, sufficient funds to recover the following Revolving Fund costs:

- (i) depreciation provision
- (ii) repair and overhaul costs
- (iii) operating costs of fuel and oil
- (iv) administration costs of the stores and repair depots and Revolving Fund office together with licence registration and insurance fees.

Each of the foregoing components of the rental rate is reviewed annually, revised as required, and approved by the Minister of Highways and Transportation.

##### (i) Construction Revenue

The Revolving Fund uses the completed contract method to recognize construction revenue on custom and other work whereby revenues are recognized as projects are completed. Amounts received before projects are completed are reflected as unearned revenue.

##### (j) Construction Work in Progress

Construction work in progress represents the actual cost of work performed on projects that are not completed. These costs will be recorded as expenditures when the corresponding revenues are recognized.

#### 2. Authority and Definition of Reporting Entity

The authority for this Revolving Fund was originally contained in Section 21 of The Highways Act and is continued under Section 14 of The Department of Highways and Transportation Act.

The purpose of the Revolving Fund is to provide equipment, materials and labour for certain departmental programs and for custom work projects to permit the equitable distribution of the cost of such services.

## Highways Revolving Fund

### Notes to Financial Statements — (Concluded)

#### 3. Authorized Financing

Subsection 14(10) of The Department of Highways and Transportation Act provides for a maximum amount of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. A maximum amount of \$80,000,000 was established by Order-in-Council in April 1983.

#### 4. Surcharges

Surcharges levied by the Revolving Fund pursuant to its governing act are required by Treasury Board to be returned to the Consolidated Fund. Accordingly, any such surcharges are recorded as a liability when invoiced.

#### 5. Accounts Receivable

Accounts receivable included \$674,396 (1986 — \$534,122) receivable from the Department of Highways and Transportation.

#### 6. Construction, Maintenance and Other Equipment

Details of this equipment are as follows:

	1987		1986	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Equipment in service:				
Construction and maintenance equipment .....	\$ 75,774,545	\$ 39,396,927	\$ 36,377,618	\$ 33,994,635
Repair shop equipment .....	1,333,040	1,161,067	171,973	188,653
Office equipment .....	39,503	18,605	20,898	22,874
Total .....	\$ 77,147,088	\$ 40,576,599	36,570,489	34,206,162

Depreciation has been provided for in the amount of \$3,195,540 in the current year (1986 — \$3,154,313).

#### 7. Segmented Information

	Stores and Repair Depot	Equipment Rental	Custom and Other Work	Elimination of Inter-Segment Transactions	1987	1986
Revenue:						
Sales or gross revenue .....	\$ 13,385,777	\$ 20,525,656	\$ 4,239,706	\$ 9,138,649	\$ 29,012,490	\$ 28,248,589
Other revenue .....	39,258	.....	.....	.....	39,258	54,690
Gain on sale of fixed assets .....	.....	28,905	.....	.....	28,905	14,137
Total revenue .....	13,425,035	20,554,561	4,239,706	9,138,649	29,080,653	28,317,416
Expenses:						
Cost of sales .....	13,391,681	.....	3,576,781	781,926	16,186,536	15,519,073
Other operating expenses .....	3,454,311	17,026,392	17,161	8,356,723	12,141,141	11,471,849
Total operating expenses .....	16,845,992	17,026,392	3,593,942	9,138,649	28,327,677	26,990,922
Segment margin .....	\$ (3,420,957)	\$ 3,528,169	\$ 645,764	\$ .....	\$ 752,976	\$ 1,326,494

A substantial portion of the sales of the Stores and Repair Depots represents internal charges to the Equipment Rental Operation for the repair of rental equipment. These charges are reflected as direct expenses of the Equipment Rental Operation and have been eliminated in the statement of operations and accumulated operating surplus. Other eliminations have also been made with respect to internal sales of materials and internal rental charges.

#### 8. Related Party Transactions

In accordance with established government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing, field service and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore, no provision for such costs is reflected in these financial statements. Where surcharges are assessed to recover such costs, they are accounted for in accordance with the accounting policy described in note 4.

## Commercial Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the balance sheet of Commercial Revolving Fund as at March 31, 1987 and the statements of operations and accumulated operating deficit and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
August 10, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As at March 31

### Statement 1

	1987	1986
<b>Assets</b>		
Current:		
Cash .....	\$ 23,119	\$ 73
Deposit with Minister of Finance .....	44,183	38,286
Accounts receivable .....	49,399	14,194
Inventories .....	226,079	215,027
Total current assets .....	342,780	267,580
Fixed assets (Note 2) .....	1,326,020	1,080,724
	<u>\$ 1,668,800</u>	<u>\$ 1,348,304</u>
<b>Liabilities and Fund Equity</b>		
Current Liabilities:		
Accounts payable .....	\$ 21,402	\$ 18,575
Accrued salaries payable .....	21,577	23,892
Deposits for room reservations .....	44,183	38,286
Total current liabilities .....	87,162	80,753
Fund Equity:		
Accumulated net expenditure (Statement 3) .....	5,196,546	4,979,937
Accumulated operating deficit (Statement 2) .....	(3,614,908)	(3,712,386)
	<u>1,581,638</u>	<u>1,267,551</u>
	<u>\$ 1,668,800</u>	<u>\$ 1,348,304</u>

(See accompanying notes to the financial statements)

## Commercial Revolving Fund

### Statement of Operations and Accumulated Operating Deficit Year Ended March 31

### Statement 2

	1987	1986
Sales: Dining/Restaurant/Store .....	\$ 1,099,905	\$ 1,032,148
Cost of goods sold .....	520,997	502,192
Gross profit .....	578,908	529,956
Other revenue:		
Campground .....	1,765,839	1,667,477
Park entry .....	973,039	956,413
Accommodation .....	1,057,467	976,358
Cottage lot rentals .....	712,037	712,026
Fire protection fees .....	809	—
Golf fees .....	317,427	491,336
Ski fees .....	39,489	69,262
Commercial leases .....	280,751	317,650
Hall rental .....	97,894	90,110
Coin operations .....	79,820	78,141
Golf equipment rental .....	45,741	61,093
Swim (lessons and pool fees) .....	86,310	48,136
Other fee rental revenue .....	9,565	12,929
Miscellaneous revenue .....	92,869	38,470
Gain on disposal of fixed assets .....	—	47,955
License vendor premiums .....	17,784	19,780
Total revenue .....	6,155,749	6,117,092
Expenses:		
Wages .....	7,687,373	7,678,111
Materials, supplies, freight .....	726,309	691,738
Travel, sustenance .....	57,668	58,924
Vehicle rental (CVA) .....	530,063	561,810
Utilities .....	595,005	565,767
Repairs and maintenance .....	567,507	492,102
Equipment rental .....	384,233	441,896
Depreciation .....	249,314	274,721
Other fuel .....	134,093	183,873
Publicity and advertising .....	154,707	173,224
Gas, oil, lubricants .....	111,662	117,226
Postage and communications .....	90,203	87,050
Vendor licenses .....	14,790	14,430
Other expenses .....	16,409	6,447
Loss on disposal of fixed assets .....	16,534	—
Total expenses .....	11,335,870	11,347,319
Net loss .....	5,180,121	5,230,227
Accumulated operating deficit, beginning of year .....	3,712,386	3,845,069
Subsidy from Consolidated Fund .....	(5,277,599)	(5,362,910)
Accumulated operating deficit, end of year — (Statement 1) .....	\$ 3,614,908	\$ 3,712,386

(See accompanying notes to the financial statements)



## Commercial Revolving Fund

### Statement of Financing Activities and Accumulated Net Expenditure Year Ended March 31

### Statement 3

	1987	1986
<b>Financing Requirements:</b>		
Subsidy from Consolidated Fund .....	\$ (5,277,599)	\$ (5,362,910)
<b>Net capital acquisitions</b>		
Purchase of fixed assets .....	522,162	527,265
Proceeds from sale of fixed assets .....	(11,018)	(78,874)
	<u>511,144</u>	<u>448,391</u>
<b>Working capital changes</b>		
Increase (decrease) in cash in bank .....	23,046	73
Increase (decrease) in deposit with Minister of Finance .....	5,897	(25,708)
Increase (decrease) in accounts receivable .....	35,205	(5,733)
Increase (decrease) in inventories .....	11,052	(8,123)
(Increase) decrease in accounts payable .....	(2,827)	16,947
(Increase) decrease in accrued salaries payable .....	2,315	(1,070)
(Increase) decrease in deposit for room reservation .....	(5,897)	25,708
	<u>68,791</u>	<u>2,094</u>
<b>Total financing requirements</b> .....	<u>(4,697,664)</u>	<u>(4,912,425)</u>
<b>Funds Used by Operations:</b>		
Loss from operations .....	5,180,121	5,230,227
<b>Items not involving inflow (outflow) of funds:</b>		
Provision for depreciation .....	(249,314)	(274,721)
Loss/Gain on disposal of fixed assets .....	(16,534)	47,955
<b>Total funds used by operations</b> .....	<u>4,914,273</u>	<u>5,003,461</u>
<b>Net cash expenditure</b> .....	<u>216,609</u>	<u>91,036</u>
<b>Accumulated net expenditure, beginning of year</b> .....	<u>4,979,937</u>	<u>4,888,901</u>
<b>Accumulated net expenditure, end of year (Statement 1)</b> .....	<u>\$ 5,196,546</u>	<u>\$ 4,979,937</u>

(See accompanying notes to the financial statements)

## Notes to the Financial Statements

Year Ended March 31, 1987

### 1. Accounting Policies

#### A. Authority and Definition of Reporting Entity

The authority for this revolving fund was originally contained in Section 13 of The Department of Tourism and Renewable Resources Act and is continued under Section 14 of The Department of Parks and Renewable Resources Act. The purpose of the revolving fund is to finance and provide a system of accounting for the commercial operation of government owned and operated facilities required to promote and develop the use and enjoyment of parks and renewable resources in the province.

#### B. Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- Disbursements made within 30 days after the fiscal year-end which were incurred prior to year-end are recorded as paid in the previous year.

#### C. Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided by) operating deficits (surpluses) of the revolving fund.

#### D. Accumulated Net Expenditure

The accumulated net expenditure of the fund includes the following:

- amounts due to the Minister of Finance as at March 31, 1982 and assumed by the revolving fund in respect of working capital advances.
- net cash expenditure (recovery) for each fiscal year thereafter.
- the transfer amount of assets acquired at no extra charge.

## Commercial Revolving Fund

### Notes to Financial Statements — (Concluded)

#### 1. Accounting Policies — (Concluded)

##### E. Authorized Financing

Section 14(10) of The Department of Parks and Renewable Resources Act provides for a maximum amount of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. A maximum amount of \$7,000,000 was established by Order-in-Council in February, 1983.

##### F. Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 14(4) of The Department of Parks and Renewable Resources Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Commercial Revolving Fund shall be \$4,500,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.

##### G. Inventories

Inventories consist of goods held for resale in park, confectioneries and stores, and maps and photographs held at the regional, district and park offices. Inventories are valued at the lower of cost or net realizable value. Items such as gas, oil and grease, repair and maintenance supplies and firewood are not included in inventories in the financial statements but are expensed when purchased.

##### H. Fixed Assets and Depreciation

Fixed assets are recorded at cost. The cost and related accumulated depreciation of items retired or disposed of are removed from the records and any gains or losses are included in the income statement.

Depreciation is calculated on the straight line basis with the annual rates being 15% for equipment and 10% for furnishings.

#### 2. Fixed Assets

	1987		1986	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Equipment .....	\$ 3,487,805	\$ 2,249,518	\$ 1,238,287	\$ 964,943
Furniture and fixtures .....	209,988	122,255	87,733	115,781
	<u>\$ 3,697,793</u>	<u>\$ 2,371,773</u>	<u>\$ 1,326,020</u>	<u>\$ 1,080,724</u>

#### 3. Asset Transfers

Treasury Board Regulation R:28, 1982-83 requires that equipment acquired at no cost by a Revolving Fund from another government agency or disposed of at no charge by a Revolving Fund to another government agency, should be recorded at the lower of estimated book value or fair market value at the date of transfer by adjusting the asset and accumulated expenditure accounts. During the 1986-87 fiscal year, no assets were transferred to or from other government agencies (1985/86 — nil).

#### 4. Segmented Information

The revolving fund's total sales \$1,099,905 (1986 — \$1,032,148), gross profit \$578,908 (1986 — \$529,956) and net loss of \$5,180,121 (1986 — loss \$5,230,227) are comprised of the following:

	Echo Valley Centre		Parks Operations	
	1987	1986	1987	1986
Sales .....	\$ 460,195	\$ 372,254	\$ 639,710	\$ 659,894
Cost of sale .....	133,173	80,496	387,824	421,696
Gross Profit .....	327,022	291,758	251,886	238,198
Other Revenue .....	534,373	492,277	5,042,468	5,094,913
	861,395	784,035	5,294,354	5,333,111
Expenses .....	1,134,971	1,130,318	10,200,899	10,217,055
Net loss .....	<u>\$ (273,576)</u>	<u>\$ (346,283)</u>	<u>\$ (4,906,545)</u>	<u>\$ (4,883,944)</u>

#### 5. Costs Borne by Other Agencies

In accordance with established government policy, the revolving fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.



## Resource Protection and Development Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the statement of financial position of the Resource Protection and Development Revolving Fund as at March 31, 1987, and the statements of operations and accumulated operating surplus and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1987, and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
November 13, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Statement of Financial Position

As at March 31

### Statement 1

	1987	1986
<b>Assets</b>		
Current:		
Petty cash .....	\$ 50	\$ 50
Accounts receivable (Note 8) .....	79,623	302,185
Inventory .....	884,433	917,534
Prepaid expenses .....	23,312	23,241
	<u>987,418</u>	<u>1,243,010</u>
Non Current:		
Equipment (Note 6) .....	2,512,575	2,697,845
Land development .....	32,636	196,033
	<u>2,545,211</u>	<u>2,893,878</u>
	<u>\$ 3,532,629</u>	<u>\$ 4,136,888</u>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable .....	\$ 63,342	\$ 78,156
Equity:		
Accumulated operating surplus (deficit) (Statement 2) .....	(117,762)	42,781
Accumulated net expenditure (Statement 3) .....	3,587,049	4,015,951
	<u>3,469,287</u>	<u>4,058,732</u>
	<u>\$ 3,532,629</u>	<u>\$ 4,136,888</u>

(See accompanying notes)

## Resource Protection and Development Revolving Fund

### Statement of Operations and Accumulated Operating Surplus

Statement 2

Year Ended March 31

	1987	1986
<b>Revenue:</b>		
Equipment rental and recoveries .....	\$ 1,065,895	\$ 1,090,003
Expenditures billed to Government Agencies:		
Department of Parks and Renewable Resources for fire suppression ...	11,864,909	8,667,736
Other agencies		
— Capital projects .....	3,557,081	—
— Fish enhancement .....	76,296	56,893
Fire suppression expenditures recovered from other sources .....	438,798	206,839
Radio communications .....	1,089,187	1,109,437
Cottage lot leases .....	8,350	7,010
	<u>18,100,516</u>	<u>11,137,918</u>
<b>Expenses:</b>		
Rental of equipment, building and aircraft .....	5,658,557	5,306,453
Labour, travel and sustenance .....	6,573,086	2,904,352
Repair and overhaul of equipment .....	1,063,258	937,117
Fuel, materials and supplies .....	1,936,308	1,069,344
Depreciation .....	398,361	427,782
Miscellaneous operating .....	797,045	369,283
Land development .....	177,895	5,853
General and administrative .....	89,859	85,018
Contractual services .....	1,401,576	—
Write-down of land development costs .....	165,114	—
	<u>18,261,059</u>	<u>11,105,202</u>
Current year operating surplus (deficit) .....	(160,543)	32,716
Accumulated surplus, beginning of year .....	42,781	10,065
Accumulated surplus (deficit), end of year (Statement 1) .....	<u>\$ (117,762)</u>	<u>\$ 42,781</u>

(See accompanying notes)

### Statement of Financing Activities and Accumulated Net Expenditure

Statement 3

Year Ended March 31

	1987	1986
<b>Financing Requirements of the Revolving Fund</b>		
Net capital acquisition:		
Purchase of equipment .....	\$ 220,277	\$ 309,150
Less proceeds from sale of equipment .....	(39,096)	(39,763)
Land development .....	1,716	5,862
	<u>182,897</u>	<u>275,249</u>
Working capital changes:		
Increase (decrease) in accounts receivable .....	(222,562)	197,459
Increase (decrease) in inventories .....	(33,101)	67,019
Increase in prepaid expenses .....	71	23,241
Decrease in accounts payable .....	14,814	124,250
	<u>(240,778)</u>	<u>411,969</u>
Total Financing Requirements	<u>(57,881)</u>	<u>687,218</u>
Less amount financed by operations:		
Net income (loss) .....	(160,543)	32,716
Items not requiring an outlay (generating an inflow) of funds:		
— Depreciation .....	398,361	427,782
— (Gain) on disposal of equipment .....	(31,911)	(18,168)
— Write-down of land development costs .....	165,114	—
	<u>371,021</u>	<u>442,330</u>
Net expenditure (recovery) .....	<u>(428,902)</u>	<u>244,888</u>
Accumulated net expenditure, beginning of year .....	4,015,951	3,771,063
Accumulated net expenditure, end of year (Statement 1) .....	<u>\$ 3,587,049</u>	<u>\$ 4,015,951</u>

(See accompanying notes)

## Resource Protection and Development Revolving Fund

### Notes to Financial Statements

March 31, 1987

#### 1. Significant Accounting Policies

##### a) Basis of Accounting

These financial statements have been prepared in accordance with accounting policies that are considered appropriate for revolving funds. Accordingly, the accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end which were incurred prior to the year-end are recorded as paid in the previous year.

##### b) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided by) operating deficits (surpluses) of the Revolving Fund.

##### c) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- i) Amounts due to the Minister of Finance as at March 31, 1982, and assumed by the Revolving Fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- ii) Amounts recorded in the accounts in respect of assets transferred from other departments at no cost. Treasury Board has directed that any equipment acquired at no cost by the Revolving Fund, from another government agency, should be recorded at the lower of estimated net book value or fair market value of the equipment at the date of acquisition with a corresponding credit being made to the accumulated net expenditure account.
- iii) Net cash expenditure (recovery) for each fiscal year thereafter.

##### d) Inventory

Inventory of materials and supplies is valued at the lower of cost or replacement cost.

##### e) Land Development

The recreational subdivision program develops recreational lots for lease to the public. The asset value reflects costs to March 31, 1987 incurred on lot development less amounts written off in respect of lots not expected to be leased. The remaining development costs are expected to be recovered when the subdivisions are leased.

##### f) Depreciation

Depreciation of construction equipment is determined by estimating the useful life of each unit in miles, hours, or months and allocating the cost of operations on the basis of usage.

Depreciation of radio communications equipment is calculated on a straight-line basis with the current annual rate being 8.34% of cost.

Depreciation on garage, shop and office equipment is calculated on the straight-line basis with the current annual rate being 10% of cost.

#### 2. Authority and Definition of Entity

The authority of this Revolving Fund was originally established under Section 11 of The Department of Tourism and Renewable Resources Act, and as of May 16, 1983, continues under Section 13 of The Department of Parks and Renewable Resources Act.

The purpose of the Revolving Fund is to provide a system of accounting for the provision of labour, machinery, equipment, materials, supplies, and technical, supervisory and administrative services that are required for the construction, maintenance, repair, alteration, extension or improvement of buildings, structures, recreation facilities, roads, dams, bridges, ditches, fireguards or other works of similar nature; and for the provision of a radio communications service which includes the establishment, construction, maintenance and operation of radio communications networks; and for the acquisition and development of recreation sites.

#### 3. Authorized Financing

Subsection 13(10) of The Department of Parks and Renewable Resources Act provides for a maximum amount of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. The maximum amount has been set at \$12,000,000 by authority of Order-in-Council 315/83.

## Resource Protection and Development Revolving Fund

### Notes to Financial Statements — (Concluded)

#### 4. Disposition of Accumulated Operating Surplus or Deficit

In accordance with Subsection 13(4) of The Department of Parks and Renewable Resources Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Revolving Fund shall be \$200,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus/deficit exceeds the maximum, then any surplus/deficit in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into/from the Consolidated Fund.

#### 5. Segmented Information

	<i>Equipment Rental</i>	<i>Fire Suppression</i>	<i>Capital Projects</i>	<i>Radio Comm.</i>	<i>Other</i>	<i>Total</i>
Revenue .....	\$ 1,065,895	\$ 12,303,707	\$ 3,557,081	\$ 1,089,187	\$ 84,646	\$18,100,516
Expenses .....	1,090,335	12,303,707	3,557,081	1,050,629	259,307	18,261,059
Current Year Operating Surplus (Deficit) .....	\$ (24,440)	\$ .....	\$ .....	\$ 38,558	\$ (174,661)	\$ (160,543)
1986 Operating Surplus/(Deficit) .	\$ 40,436	\$ .....	\$ N/A	\$ 28,653	\$ (36,373)	\$ 32,716

#### 6. Equipment

	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value 1987</i>	<i>Net Book Value 1986</i>
Equipment Rental .....	\$ 3,390,765	\$ 1,758,988	\$ 1,631,777	\$ 1,810,656
Radio Communications .....	1,598,644	717,846	880,798	887,189
	\$ 4,989,409	\$ 2,476,834	\$ 2,512,575	\$ 2,697,845

#### 7. Cost Recovery Programs

##### Fire Suppression Program

The Revolving Fund charges the Department of Parks and Renewable Resources for all costs incurred for forest fire suppression (less amounts billed to others). As a result, the Revolving Fund has a zero current year operating surplus in the fire suppression segment of operations.

##### Capital Projects Program

The Revolving Fund charges the Saskatchewan Property Management Corporation and/or the Department of Parks and Renewable Resources for all costs incurred for Parks and Renewable Resources capital projects; assets acquired or constructed are not capitalized. As a result, the Revolving Fund has a zero current operating surplus in the capital projects segment of operations.

##### Fish Enhancement Program

Costs incurred by the Revolving Fund for this program are billed to another government agency, resulting in no surplus or deficit to the Revolving Fund.

#### 8. Related Party Transactions

In accordance with established government practice, the Revolving Fund has not been charged with certain occupancy, financing, administrative and certain other costs. These costs have been absorbed by various departmental appropriations and, therefore, no provision for such costs is reflected in these financial statements.

Included in accounts receivable is a balance owing from government departments or agencies of \$30,949 (1986 — \$185,715).

Substantially all revenue, other than fire suppression expenditures recovered from other sources, arises from billings rendered to government departments, agencies and crown corporations.



## Central Vehicle Agency Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the balance sheet of the Central Vehicle Agency Revolving Fund as at March 31, 1987 and the statements of operations and surplus, financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
February 4, 1988.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As at March 31

### Statement 1

	1987	1986 (restated) (Note 7)
<b>Assets</b>		
Current:		
Petty Cash .....	\$ 875	\$ 825
Accounts Receivable .....	2,102,174	1,677,475
Inventories (Note 1(g)) .....	1,584,947	948,506
Prepaid Expense .....	1,050,291	1,109,171
	<u>4,738,287</u>	<u>3,735,977</u>
Fixed:		
Vehicles, aircraft and equipment (Note 3) .....	42,608,167	31,513,450
Total Assets .....	<u>\$ 47,346,454</u>	<u>\$ 35,249,427</u>
<b>Liabilities and Fund Equity</b>		
Current Liabilities:		
Accounts payable and accrued liabilities .....	\$ 1,991,547	\$ 907,292
Fund Equity:		
Accumulated net expenditure (Statement 3) .....	37,481,222	28,452,130
Accumulated Surplus (Statement 2) .....	7,873,685	5,890,005
Total Equity (Note 9) .....	<u>45,354,907</u>	<u>34,342,135</u>
Total Liabilities and Fund Equity .....	<u>\$ 47,346,454</u>	<u>\$ 35,249,427</u>

(See accompanying notes to the financial statements)

## Central Vehicle Agency Revolving Fund

### Statement of Operations and Surplus

Year Ended March 31

### Statement 2

	1987	1986 (restated) (Note 7)
Revenue:		
Rentals .....	\$ 22,977,615	\$ 23,283,948
Miscellaneous .....	7,690	8,364
Treasury Board Surcharge (Note 8) .....	864,239	858,152
Treasury Board Surcharge Repayable .....	(864,239)	(858,152)
	<u>22,985,305</u>	<u>23,292,312</u>
Operating Expenses:		
Gas, oil and repairs .....	6,659,489	7,872,234
Depreciation expense (Note 1 (f)) .....	8,528,204	8,049,762
Salaries .....	2,611,637	2,653,498
Licences and insurance .....	1,965,841	1,845,359
Air charter cost .....	131,297	212,032
Computer Cost — Vehicles .....	210,996	117,514
Travel and sustenance .....	100,273	96,203
Contractual services .....	71,375	84,440
Miscellaneous — Other .....	67,653	62,831
Printing and stationery .....	15,169	27,246
Shop expense .....	56,027	13,576
Transporting vehicles .....	22,570	12,290
Telephone .....	11,130	12,262
Driving training .....	6,512	5,550
Recovered expense .....	83,194	.....
Net gain on sale of vehicles and aircraft (Note 6) .....	(1,844,462)	(1,681,093)
	<u>18,696,905</u>	<u>19,383,704</u>
Income from operations .....	4,288,400	3,908,608
Less Administrative expenses .....	1,285,234	1,161,973
Net income .....	3,003,166	2,746,635
Surplus — beginning of year .....	5,890,005	3,143,370
Surplus returned to Consolidated Fund .....	(1,019,486)	.....
Surplus — end of year .....	<u>\$ 7,873,685</u>	<u>\$ 5,890,005</u>

(See accompanying notes to the financial statements)



## Central Vehicle Agency Revolving Fund

### Statement of Financing Activities and Accumulated Net Expenditure Year Ended March 31

### Statement 3

	1987	1986 (restated) (Note 7)
Financing requirements of the Revolving Fund:		
Net Capital Acquisitions:		
Purchase of fixed assets	\$ 20,621,112	\$ 12,040,628
Proceeds from sale of fixed assets	(3,218,816)	(3,021,557)
	<u>17,402,296</u>	<u>9,019,071</u>
Working Capital Changes:		
Increase in petty cash	50	.....
Increase (Decrease) in accounts receivable	424,699	(121,138)
Increase in inventories	636,441	67,811
Increase (decrease) in prepaid expenses	(58,880)	25,020
(Increase) Decrease in accounts payable	(1,084,255)	195,881
	<u>(81,945)</u>	<u>167,574</u>
Prior years net income paid into Consolidated Fund	<u>1,019,486</u>	<u>.....</u>
	<u>18,339,837</u>	<u>9,186,645</u>
Less amounts financed by operations:		
Net income	3,003,166	2,746,635
Items not affecting working capital		
— depreciation	8,528,204	8,049,762
— gain on disposal of fixed assets (Note 6)	(2,220,625)	(2,034,985)
	<u>9,310,745</u>	<u>8,761,412</u>
Net cash expenditure	<u>9,029,092</u>	<u>425,233</u>
Accumulated net expenditure, beginning of year	28,452,130	28,026,897
Accumulated net expenditure, end of year	<u>\$ 37,481,222</u>	<u>\$ 28,452,130</u>

(See accompanying notes to the financial statements)

## Central Vehicle Agency Revolving Fund

### Notes to Financial Statements

March 31, 1987

#### 1. Accounting Policies

##### (a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- (i) Payments received within thirty days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- (ii) Disbursements made within thirty days after the fiscal year-end which are incurred prior to year-end are recorded as paid in the previous year.

##### (b) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided by) operating deficits (surpluses) of the revolving fund.

##### (c) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- (i) Amounts due to the Minister of Finance as at March 31, 1982 and assumed by the Revolving Fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- (ii) Amounts due to the Minister of Finance as at March 31, 1982 and assumed by the Revolving Fund in respect of assets transferred from other departments at no cost. Treasury Board has directed that any additional equipment acquired at no cost by the Revolving Fund, from another government agency, should be recorded at the lower of estimated net book value or fair market value of the equipment at the date of acquisition with a corresponding credit being made to the accumulated net expenditure account.
- (iii) Net cash expenditure (recovery) for each fiscal year thereafter.

##### (d) Authorized Financing

Section 15(11) of The Department of Supply and Services Act provides for a maximum amount of accumulated net expenditures which may at any time be outstanding to be set by order of the Lieutenant Governor-in-Council. The maximum amount has been set at \$42,000,000 by authority of Order-in-Council 675/83.

##### (e) Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 15(5) of The Department of Supply and Services Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus (deficit) for the Central Vehicle Agency Revolving Fund shall be \$5,000,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.

##### (f) Depreciation

Depreciation charged for the year is mainly determined by allocating on a straight line basis the total cost of each asset after considering salvage value, over its estimated useful life. Depreciation rates are from 1% per month to 1.625% per month for vehicles (1985/86 — 1% to 1.625%), 2.5% per year to 5% per year for aircraft (1985/86 — 2.5% to 5%) and from \$5.73 per hour to \$88.64 per hour for aircraft engines (1985/86 — \$5.05 to \$41.57 per hour). Other fixed assets are depreciated at a rate of 10% per year.

##### (g) Inventory

Inventories of gasoline, oil and aircraft parts and supplies are valued at the lower of cost and net realizable value.

##### (h) Costs Borne by Other Agencies

In accordance with established government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

#### 2. Authority and Definition of Reporting Entity

The authority for this Revolving Fund is contained in Section 15 of The Department of Supply and Services Act. The purpose of the Revolving Fund is to finance and provide a system of accounting for the provision of transportation services to public agencies and fire prevention services.

Accordingly a substantial portion of the revolving fund transactions are with related parties. Separate disclosure of these transactions will not serve any useful purpose.

## Central Vehicle Agency Revolving Fund

### Notes to Financial Statements — (Continued)

#### 3. Vehicles, Aircraft and Equipment

	1987		1986	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
				(restated) (Note 7)
Vehicles .....	\$ 46,812,488	\$ 24,198,538	\$ 22,613,950	\$ 19,514,135
Aircraft .....	20,577,730	2,361,560	18,216,170	10,392,405
Engines .....	1,978,085	651,605	1,326,480	1,270,238
Shop, hangar and medical equipment .....	780,371	338,164	442,207	331,845
Office equipment .....	16,758	7,398	9,360	4,827
	<u>\$ 70,165,432</u>	<u>\$ 27,557,265</u>	<u>\$ 42,608,167</u>	<u>\$ 31,513,450</u>

Under a 25 year agreement effective April 1987 with Transport Canada and for consideration of one dollar the revolving fund has received full use of 2 CL-215 Canadair Waterbombers. Under the terms of the agreement the Province has the option to purchase these aircraft for the sum of one dollar at any time after the expiration of an initial period of 15 years.

#### 4. Commitments

As of March 31, 1987 the Revolving Fund had on order 595 vehicles at an estimated cost of \$6,494,682 (March 31, 1986 — 925 vehicles at \$8,902,387).

#### 5. Segmented Information

	Vehicles	Executive Transport	Air Ambulance	Northern Air Transportation	Fire Suppression	Total
Revenue .....	\$ 18,441,194	\$ 1,169,723	\$ 543,312	\$ 181,230	\$ 2,649,846	\$ 22,985,305
Operating Expenses .....	6,970,294	909,587	521,154	178,402	1,589,264	10,168,701
Depreciation .....	8,233,904	58,740	27,335	9,535	198,690	8,528,204
	<u>15,204,198</u>	<u>968,327</u>	<u>548,489</u>	<u>187,937</u>	<u>1,787,954</u>	<u>18,696,905</u>
Profit on operations .....	3,236,996	201,396	(5,177)	(6,707)	861,892	4,288,400
Administrative expenses .....	334,390	238,380	79,460	18,990	614,014	1,285,234
Net income (loss) for the year .....	<u>\$ 2,902,606</u>	<u>\$ (36,984)</u>	<u>\$ (84,637)</u>	<u>\$ (25,697)</u>	<u>\$ 247,878</u>	<u>\$ 3,003,166</u>

#### 6. Net Gain on Sale of Vehicles and Aircraft

A net gain was realized from the sale of vehicles and aircraft as follows:

	1987	1986
Gain on sale of vehicles .....	\$ 2,217,796	\$ 1,945,949
Reconditioning costs on vehicles sold .....	219,797	205,796
Salaries .....	96,845	96,676
Advertising .....	59,521	51,420
Total expenses associated with vehicle sales .....	<u>376,163</u>	<u>353,892</u>
Net gain on sale of vehicles .....	<u>1,841,633</u>	<u>1,592,057</u>
Cessna IVB .....	.....	15,465
Cessna CED .....	.....	22,444
Cessna EJC .....	.....	5,035
Floats and Skis .....	2,829	5,635
Navajo SPX .....	.....	40,457
Gain on sale of aircraft .....	<u>2,829</u>	<u>89,036</u>
Net gain on sale of vehicles and aircraft (to Statement 2) .....	<u>\$ 1,844,462</u>	<u>\$ 1,681,093</u>
Gross gain on sale:		
Vehicles .....	\$ 2,217,796	\$ 1,945,949
Aircraft .....	2,829	89,036
Gain on sale of vehicles and aircraft (to Statement 3) .....	<u>\$ 2,220,625</u>	<u>\$ 2,034,985</u>

## Central Vehicle Agency Revolving Fund

### Notes to Financial Statements — (Concluded)

#### 7. Prior Period Adjustment

As a result of federal sales tax reassessments applicable to the years 1984 to 1987, the balance of accumulated surplus at April 1, 1986 has been adjusted by \$129,481. Of the \$129,481, \$78,018 is applicable to 1986 and has been charged to income for that year. The remaining \$51,463 is applicable to years prior to April 1, 1985 and the balance of accumulated surplus has been adjusted accordingly. The reassessment resulted in a cumulative reduction of \$47,340 (1986 — \$29,686, prior — \$17,654) to the capital cost of vehicles.

Accounts payable and accrued liabilities, as previously reported, have been increased by \$82,141 (1986 — \$48,332; prior — \$33,809) as a result of the reassessment.

#### 8. Treasury Board Surcharge

This surcharge is levied on the CVA billings for those agencies whose vehicle establishments do not require Treasury Board approval. The surcharge is based on the 'cost of money' applied to the net book value of the vehicles being used. The cost of the money is determined by the Minister of Finance on a quarterly basis.

#### 9. Cessation of Activities

The fund was wound up at the close of business on March 31, 1987 and subsequently, all the assets were transferred to the Consolidated Fund for subsequent transfer to the Saskatchewan Property Management Corporation as follows:

Cash .....	\$	875
Account Receivable .....		2,102,174
Inventories .....		1,584,947
Prepaid Expense .....		1,050,291
Accounts Payable and Accrued Liabilities .....		(1,991,547)
Working Capital transferred .....		2,746,740
Vehicles, Aircraft and Equipment .....		42,608,167
Net Assets Transferred .....	\$	<u>45,354,907</u>

## Office Services Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the statement of financial position of the Office Services Revolving Fund as at March 31, 1987, and the statements of operations and accumulated operating (deficit) surplus and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1987, and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
August 7, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Statement of Financial Position

As at March 31

### Statement 1

	1987	1986
<b>Assets</b>		
Current:		
Accounts receivable .....	\$ 277,729	\$ 410,304
Inventory .....	500,845	491,733
Work in progress .....	150,909	88,219
Prepaid expenses .....	2,991	4,683
Total current assets .....	\$ 932,474	\$ 994,939
Fixed:		
Equipment and deferred computer development costs (Note 5) .....	177,719	225,067
	<u>\$ 1,110,193</u>	<u>\$ 1,220,006</u>
<b>Liabilities and Equity</b>		
Current:		
Accounts payable and accrued liabilities .....	\$ 173,199	\$ 41,418
Deferred revenue .....	105,118	78,375
Total current liabilities .....	<u>278,317</u>	<u>119,793</u>
Equity:		
Accumulated (deficit) surplus (Statement 2) .....	(190,370)	84,534
Accumulated net expenditure (Statement 3) .....	1,022,246	1,015,679
Total equity (Note 7) .....	<u>831,876</u>	<u>1,100,213</u>
	<u>\$ 1,110,193</u>	<u>\$ 1,220,006</u>

(See accompanying notes to the financial statements)



## Office Services Revolving Fund

### Statement of Operations and Accumulated Operating (Deficit) Surplus Year Ended March 31

### Statement 2

	1987	1986
Sales .....	\$ 4,103,527	\$ 4,730,411
Cost of sales .....	4,025,254	4,456,340
Gross Profit .....	78,273	274,071
Operating Expenses:		
Administrative salaries .....	309,804	318,347
Office expenses .....	17,711	19,485
Telephone .....	13,934	15,527
Travel, sustenance and delivery .....	5,495	8,506
Sundry .....	4,884	5,630
Bad debt expense .....	824	513
Association and professional fees .....	525	2,750
	353,177	370,758
Deficit for the year .....	(274,904)	(96,687)
Accumulated surplus, beginning of year .....	84,534	181,221
Accumulated (deficit) surplus, end of year .....	\$ (190,370)	\$ 84,534

(See accompanying notes to the financial statements)

### Statement of Financing Activities and Accumulated Net Expenditure Year Ended March 31

### Statement 3

	1987	1986
Financing requirements of the Revolving Fund:		
Net capital acquisitions:		
Purchase of fixed assets .....	\$ 37,381	\$ 26,870
Proceeds from sale of fixed assets .....	(296)	.....
	\$ 37,085	\$ 26,870
Working capital changes:		
(Decrease) in accounts receivable .....	(132,575)	(123,018)
Increase (Decrease) in inventories .....	9,112	(7,715)
Increase in work in progress .....	62,690	51,785
(Decrease) in prepaid expenses .....	(1,692)	(3,044)
(Increase) Decrease in accounts payable and accrued liabilities .....	(131,781)	35,369
(Increase) Decrease in deferred revenue .....	(26,743)	95,650
	\$ (220,989)	\$ 49,027
Less Amount Financed by Operations:		
Deficit for the year .....	(274,904)	(96,687)
Items not requiring an outlay of funds:		
Depreciation .....	84,729	85,597
Gain on sale of fixed assets .....	(296)	.....
	\$ (190,471)	\$ (11,090)
Net cash expenditure .....	6,567	86,987
Accumulated net expenditure, beginning of year .....	1,015,679	928,692
Accumulated net expenditure, end of year .....	\$ 1,022,246	\$ 1,015,679

(See accompanying notes to the financial statements)

## Office Services Revolving Fund

### Notes to Financial Statements

March 31, 1987

#### 1. Accounting Policies

##### a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end which were incurred prior to year-end are recorded as paid in the previous year.

##### b) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided by) operating deficits (surpluses) of the revolving fund.

##### c) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- i) Amounts due to the Minister of Finance as at March 31, 1982, and assumed by the Revolving Fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- ii) Amounts due to the Minister of Finance as at March 31, 1982, and assumed by the Revolving Fund in respect of assets transferred from other departments at no cost. Treasury Board has further directed that any additional equipment acquired at no cost by the Revolving Fund, from another government agency, should be recorded at the lower of estimated net book value or fair market value of the equipment at the date of acquisition with a corresponding credit being made to the accumulated net expenditure account.
- iii) Net cash expenditure (recovery) for each fiscal year thereafter.

##### d) Inventory

Inventory is valued at the lower of cost or replacement cost.

##### e) Depreciation and Amortization

Depreciation charged for the year is determined by allocating on a straight-line basis the total cost of each item of equipment over its estimated useful life. The rates varied from 10% to 20% in the current year.

Amortization charged on certain computer development costs is allocated on a straight-line basis over the anticipated period of benefit from these costs. The costs incurred in the current year are being amortized over a period of 5 years.

#### 2. Authority and Definition of Reporting Entity

The authority for this Revolving Fund is contained in Section 14 of The Department of Supply and Services Act. The purpose of the Revolving Fund is to finance and provide a system of accounting for the provision of:

- i) office services to public agencies,
- ii) mapping and surveying services,
- iii) distribution of government publication.

Accordingly a substantial portion of the Revolving Fund transactions are with related parties. Separate disclosure of these transactions will not serve any useful purpose.

#### 3. Authorized Financing

Subsection 14(11) of The Department of Supply and Services Act provides for a maximum amount of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. The maximum amount has been set at \$3,500,000.

#### 4. Disposition of Accumulated Operating Surplus or Deficit

In accordance with subsection 14(5) of The Department of Supply and Services Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Office Services Revolving Fund shall be \$225,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.

## Office Services Revolving Fund

### Notes to Financial Statements — (Concluded)

#### 5. Equipment and Deferred Computer Development Costs

	1987			1986
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Addressing .....	\$ 52,622	\$ 37,170	\$ 15,452	\$ 19,615
Dryprinting .....	46,840	29,868	16,972	3,965
Duplicating .....	110,562	100,174	10,388	19,697
Bindery .....	122,994	77,974	45,020	51,562
Photo reproduction .....	285,615	235,848	49,767	70,837
Office .....	2,607	2,398	209	451
Typesetting .....	20,800	17,960	2,840	5,014
Deferred computer development costs .....	82,106	70,217	11,889	24,911
Surveys .....	37,738	20,263	17,475	17,379
Map and Photo Library .....	4,116	3,254	862	1,643
Mapping .....	7,200	3,800	3,400	5,800
Acts and publications .....	5,683	2,238	3,445	4,193
	<u>\$ 778,883</u>	<u>\$ 601,164</u>	<u>\$ 177,719</u>	<u>\$ 225,067</u>

The provision for depreciation of equipment and amortization of deferred computer development costs is included in cost of sales and amounted to \$84,729 in the current year and \$85,597 in 1986.

#### 6. Related Party Transactions

In accordance with established government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by various departmental appropriations and, therefore, no provision for such costs is reflected in these financial statements.

#### 7. Cessation of Activities

The fund was wound up at the close of business on March 31, 1987, and subsequently all of the assets and liabilities were transferred to the Consolidated Fund and for subsequent transfer to the Saskatchewan Property Management Corporation as follows:

Accounts receivable .....	\$ 277,729
Inventory .....	500,845
Work in Progress .....	150,909
Prepaid expenses .....	2,991
Accounts payable .....	(173,199)
Deferred revenue .....	(105,118)
Working capital transferred .....	654,157
Fixed assets .....	177,719
Net assets transferred .....	<u>\$ 831,876</u>

## Supply Agency Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the balance sheet of the Supply Agency Revolving Fund as at March 31, 1987, and the statements of operations and accumulated surplus, financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
November 13, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As at March 31

### Statement 1

	1987	1986 (restated) (Note 5)
<b>Assets</b>		
Current:		
Accounts Receivable .....	\$ 651,364	\$ 523,009
Net Investment in Lease (Note 6) .....	1,051,976	694,447
Inventory (Note 1 (e)) .....	1,915,756	1,610,697
Prepaid Expenses .....	169,598	112,792
	<u>3,788,694</u>	<u>2,940,945</u>
Non-Current:		
Net Investment in Lease (Note 6) .....	4,207,904	2,777,788
Less: Current Portion .....	(1,051,976)	(694,447)
	<u>3,155,928</u>	<u>2,083,341</u>
Fixed Assets (Note 7) .....	315,795	720,433
Total Assets .....	<u>\$ 7,260,417</u>	<u>\$ 5,744,719</u>
<b>Liabilities and Fund Equity</b>		
Current liabilities:		
Accounts Payable .....	\$ 267,658	\$ 256,207
Fund Equity:		
Accumulated Net Expenditure (Statement 3) .....	6,310,334	5,470,346
Accumulated Surplus (Statement 2) .....	682,425	18,166
Total Equity (Note 9) .....	<u>6,992,759</u>	<u>5,488,512</u>
	<u>\$ 7,260,417</u>	<u>\$ 5,744,719</u>

(See accompanying notes to the financial statements)

## Supply Agency Revolving Fund

### Statement of Operations and Accumulated Surplus Year Ended March 31

### Statement 2

	1987	1986 (restated) (Note 5)
Revenue:		
Sales .....	\$ 8,399,896	\$ 6,934,636
Cost of sales .....	7,743,938	6,336,997
Gross profit .....	655,958	597,639
Word processor rental .....	796,946	443,737
Central distribution .....	76,111	80,339
Finance Income (Note 1(g)) .....	425,442	278,636
Service Charges .....	(36,253)	(31,932)
	389,189	246,704
	1,918,204	1,368,419
Operating Expenses:		
Salaries .....	480,874	428,117
Other Operating Expenses .....	37,484	7,118
Obsolete Inventory .....	18,993	21,064
Travel and Delivery .....	16,673	8,501
Freight .....	8,068	4,425
Equipment:		
Repairs and Maintenance .....	627,268	355,690
Depreciation .....	76,778	43,452
Leased .....	44,981	18,029
Gas and Oil .....	3,602	7,288
Licenses .....	2,737	3,244
	1,317,458	896,928
Operating profit .....	600,746	471,491
Administrative Expenses:		
Salaries .....	175,671	208,758
Other Administrative Expenses .....	19,847	6,687
Stationery and Office Supplies .....	8,057	10,396
Telephone .....	6,050	4,994
	209,625	230,835
Net Income for the Year from Operations .....	391,121	240,656
Recovery of Prior Year's Losses (Note 4) .....	273,138	215,025
Accumulated Deficit, Beginning of Year as previously reported .....	(265,939)	(588,164)
Prior Period Adjustment (Note 5) .....	284,105	150,649
Opening Balance — as restated .....	18,166	(437,515)
Accumulated Surplus — as restated .....	\$ 682,425	\$ 18,166

(See accompanying notes to the financial statements)



## Supply Agency Revolving Fund

### Statement of Financing Activities and Accumulated Net Expenditure

Year Ended March 31

### Statement 3

	1987	1986 (restated) (Note 5)
Financing Requirements of the Revolving Fund:		
Net Capital Acquisitions:		
Purchase of fixed assets	\$ 31,549	\$ 5,142
Purchase of Equipment for Capital Leasing	4,749,220	2,300,898
Payments received under Lease Contracts	(3,680,047)	(1,137,097)
Proceeds from sale of fixed assets	(2,030)	—
	1,098,692	1,168,943
Working Capital Changes:		
Increase in Accounts Receivable	128,355	110,653
Increase in Inventories	305,059	280,145
Increase in Prepaid Expenses	56,806	70,334
(Increase) in Accounts Payable	(11,451)	(162,295)
	478,769	298,837
Financing Provided by the Revolving Fund:		
Net Income from Operations (Statement 2)	391,121	240,656
Items not affecting working capital:		
Depreciation	77,045	43,452
Gain on disposal of Fixed Assets	(3,831)	—
	464,335	284,108
Recovery of prior years' losses (Note 4)	273,138	215,025
	737,473	499,133
Net Cash Expenditure	839,988	968,647
Accumulated Net Expenditure, Beginning of Year	5,470,346	4,501,699
Accumulated Net Expenditure, End of Year	\$ 6,310,334	\$ 5,470,346

(See accompanying notes to the financial statements)

### Notes to Financial Statements

March 31, 1987

#### 1. Accounting Policies

##### (a) Basis of Accounting

The accounts are maintained on the accrual basis of accounting with the following modifications:

- Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- Disbursements made within 30 days after the fiscal year-end which are incurred prior to year-end are recorded as paid in the previous year.

##### (b) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund to finance net capital acquisitions, working capital requirements and temporary financing of (provided by) operating deficits (surpluses) of the Revolving Fund.

##### (c) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- Amounts due to the Minister of Finance as at March 31, 1982 and assumed by the Revolving Fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of Revolving Fund activities as budgetary transactions.
- Amounts due to the Minister of Finance as at March 31, 1982 and assumed by the Revolving Fund in respect of assets transferred from other departments at no cost. Treasury Board has further directed that any additional material or equipment acquired (or disposed of) at no cost by the Revolving Fund, from (to) another government agency, should be recorded at the lower of estimated net book value or fair market value of the material or equipment at the date of acquisition with a corresponding credit being made to the accumulated net expenditure account.
- Net cash expenditure (recovery) for each fiscal year thereafter.

## Supply Agency Revolving Fund

### Notes to Financial Statements — (Continued)

#### 1. Accounting Policies — (Concluded)

##### (d) Depreciation

Depreciation charged for the year is determined by allocating on a straight line basis the total cost of each asset over its estimated useful life. Depreciation rates are mainly 10% to 45% per year.

##### (e) Inventory

Inventories of office and field supplies are valued at the lower of cost and net realizable value.

##### (f) Costs Borne by Other Agencies

In accordance with established government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.

##### (g) Capital Leases

Word Processing Equipment has been classified as direct financing leases because substantially all risks and benefits of ownership have been transferred to the lessee. Consequently, minimum lease payments receivable and finance income are recognized in the financial statements. Finance income related to the direct financing lease is recognized in a manner that produces a constant rate of return on the investment in the lease. The investment in the lease for purposes of income recognition is composed of net minimum lease payments and unearned finance income.

#### 2. Authority and Definition of Entity

The authority for this Revolving Fund is continued under Section 13(2) of The Department of Supply and Services Act. The purpose of the Revolving Fund is to finance and provide a system of accounting for the provision of office and field supplies and word processing equipment required by public agencies.

Accordingly a substantial portion of the Revolving Fund transactions are with related parties. Separate disclosure of these transactions will not serve any useful purpose.

#### 3. Authorized Financing

Section 13(11) of The Department of Supply and Services Act provides for a maximum amount of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. The maximum amount has been set at \$8,000,000 by authority of Order-in-Council 677/83.

#### 4. Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 13(5) of The Department of Supply and Services Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus (deficit) for the Supply Agency Revolving Fund shall be \$100,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall within 15 months be paid into (from) the Consolidated Fund.

The Revolving Fund received \$273,138 and \$215,025 from the Consolidated Fund in the years ending March 31, 1987 and March 31, 1986, for the portion of the March 31, 1985 and March 31, 1984 deficits in excess of \$100,000.

#### 5. Change in Accounting Policy

During the year ending March 31, 1987, the Supply Agency Revolving Fund changed from recording its word processing equipment as fixed assets and recognizing rental revenue on these assets to classifying the equipment as capital leases and recording finance income. This change has been applied retroactively with restatement of all prior periods presented. With respect to the March 31 fixed assets values, the change reduced the 1986 balance by \$2,576,940 and the 1987 balance by \$5,731,164. The 1986 and 1987 depreciation expense was reduced by \$1,187,206 and \$1,842,128 respectively. The 1986 and 1987 rental revenue decreased by \$1,300,454 and \$4,028,171 respectively. Finance income for 1986 and 1987 was increased by \$278,636 and \$425,442 respectively. The net investment in leases was increased by \$2,777,788 and \$4,207,904 for 1986 and 1987 respectively. The effects of this change on prior periods were treated as adjustments of the opening balance of accumulated surplus, increasing the April 1, 1985 balance by \$150,649 and the April 1, 1986 balance by \$284,105.

#### 6. Capital Leases

Supply Agency Revolving Fund's net investment in lease includes the following:

	March 31, 1987	March 31, 1986
Total minimum lease payments receivable .....	\$ 5,214,985	\$ 3,184,412
Unearned income .....	(1,007,081)	(406,624)
	<u>\$ 4,207,904</u>	<u>\$ 2,777,788</u>

## Supply Agency Revolving Fund

### Notes to Financial Statements — (Concluded)

#### 7. Fixed Assets

	1987			1986
				(restated)
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Word Processors .....	\$ 273,535	\$ 34,639	\$ 238,896	\$ 648,789
Central Distribution .....	86,627	47,247	39,380	50,881
Equipment .....	56,723	24,885	31,838	11,925
Stores .....	24,244	18,563	5,681	8,838
	<u>\$ 441,129</u>	<u>\$ 125,334</u>	<u>\$ 315,795</u>	<u>\$ 720,433</u>

#### 8. Segmented Information

	Materials Management	Supply Agency	Total
Sales .....	\$ 5,899,305	\$ 2,500,591	\$ 8,399,896
Cost of Sales .....	5,563,225	2,180,713	7,743,938
Gross Profit .....	336,080	319,878	655,958
Word Processing rental .....	—	796,946	796,946
Central Distribution .....	76,111	—	76,111
Finance Income .....	—	425,442	425,442
Service Charges .....	—	(36,253)	(36,253)
	—	389,189	389,189
	412,191	1,506,013	1,918,204
Operating Expenses .....	319,896	997,562	1,317,458
Operating Profit .....	92,295	508,451	600,746
Administrative Expenses .....	91,997	117,628	209,625
Net income for the Year from Operations .....	<u>\$ 298</u>	<u>\$ 390,823</u>	<u>\$ 391,121</u>

#### 9. Cessation of Activities

The fund was wound up at the close of business on March 31, 1987 and subsequently all of the assets were transferred to the Consolidated Fund for subsequent transfer to the Saskatchewan Property Management Corporation as follows:

Accounts Receivable .....	\$ 651,364
Net investment in lease .....	1,051,976
Inventory .....	1,915,756
Prepaid expenses .....	169,598
Accounts payable .....	(267,658)
Working capital transferred .....	<u>\$ 3,521,036</u>
Net investment in lease .....	3,155,928
Fixed assets .....	315,795
Non-current net assets .....	<u>\$ 3,471,723</u>
Net assets transferred .....	<u>\$ 6,992,759</u>

## Systems Centre Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the balance sheet of the Systems Centre Revolving Fund as at March 31, 1987 and the statements of operations and deficit and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
December 4, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As at March 31

### Statement 1

	1987	1986 (restated)
<b>Assets</b>		
Current assets:		
Cash .....	\$ 100	\$ 100
Accounts receivable .....	369,805	175,718
Inventories .....	25,641	939
Prepaid expenses .....	15,071	331,704
Total current assets .....	410,617	508,461
Fixed assets:		
Furniture and equipment (Note 5) .....	146,007	170,437
Total assets .....	<u>\$ 556,624</u>	<u>\$ 678,898</u>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable .....	\$ 222,371	\$ 80,364
Deferred revenue (Note 1 (e)) .....	342,048	787,024
Total current liabilities .....	564,419	867,388
Equity:		
Accumulated net expenditure (Statement 3) .....	1,138,465	311,651
Accumulated deficit (Statement 2) .....	(1,146,260)	(500,141)
Total equity (Note 8) .....	(7,795)	(188,490)
Total liabilities and equity .....	<u>\$ 556,624</u>	<u>\$ 678,898</u>

(See accompanying notes to the financial statements)



## Systems Centre Revolving Fund

### Statement of Operations and Deficit

Year Ended March 31

### Statement 2

	1987	1986 (restated)
Revenue:		
Analyst and other computer services .....	\$ 5,463,117	\$ 5,010,022
Expenses:		
Salaries .....	3,679,325	3,666,122
Rental of equipment .....	855,299	640,680
Staff training and education .....	592,224	375,836
Maintenance of equipment .....	347,435	116,869
Equipment purchase for resale .....	275,552	379,092
Contractual services .....	102,843	90,637
Bad debts .....	67,708	.....
Telephone rental and toll charges .....	64,783	70,317
Travel and sustenance .....	24,670	47,748
Depreciation .....	51,033	41,697
Office supplies .....	21,723	31,919
Duplicating services .....	12,750	12,356
Freight and express .....	8,033	9,346
Research and consulting fees .....	5,858	79,832
Staff recruitment .....	.....	8,173
Total expenses .....	6,109,236	5,570,624
Net loss .....	(646,119)	(560,602)
(Deficit) Surplus, beginning of year .....	(500,141)	60,461
Deficit, end of year (Statement 1) .....	\$ (1,146,260)	\$ (500,141)

(See accompanying notes to the financial statements)

### Statement of Financing Activities and Accumulated Net Expenditure

Year Ended March 31

### Statement 3

	1987	1986 (restated)
Financing Requirements of the Revolving Fund:		
Net Capital Acquisitions:		
Purchase of fixed assets .....	\$ 137,763	\$ 122,006
(Proceeds) on sale of fixed assets .....	(111,160)	(42,759)
	26,603	79,247
Working Capital Changes:		
Increase (Decrease) in accounts receivable .....	194,087	(137,909)
Increase (Decrease) in inventory .....	24,702	(6,221)
(Decrease) in prepaid expenses .....	(316,633)	(5,354)
(Increase) in accounts payable .....	(142,007)	(76,107)
Decrease (increase) in deferred revenue .....	444,976	(173,730)
	205,125	(399,321)
Less Amount Financed by Operations:		
Net loss .....	(646,119)	(560,602)
Items not requiring an outlay of funds		
Depreciation .....	51,033	41,697
Gain on sale of fixed assets .....	.....	(6,886)
	(595,086)	(525,791)
Net cash expenditure .....	826,814	205,717
Accumulated net expenditure, beginning of year .....	311,651	105,934
Accumulated net expenditure, end of year (Statement 1) .....	\$ 1,138,465	\$ 311,651

(See accompanying notes to the financial statements)



## Systems Centre Revolving Fund

### Notes to Financial Statements

March 31, 1987

#### 1. Accounting Policies

##### (a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within thirty days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within thirty days after the fiscal year-end which were incurred prior to year-end are recorded as paid in the previous year.

##### (b) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (providing of) operating deficits (surpluses) of the Revolving Fund.

##### (c) Accumulated Net Expenditure

The accumulated net expenditure of the Revolving Fund includes the following:

- i) amounts due to the Minister of Finance as at March 31, 1982 and assumed by the Revolving Fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- ii) net cash expenditure (recovery) for each fiscal year thereafter.

##### (d) Depreciation

Depreciation of furniture and equipment is calculated on a straight line basis at an annual rate based on the estimated useful life of the assets. Rates in force currently vary from 10% to 33 1/3%.

##### (e) Revenue Recognition

Revenue from long term fixed price contracts is accounted for by the percentage-of-completion method whereby income is recognized as expenses are incurred on individual contracts. If estimated total costs on any of these contracts indicate a loss, the entire amount of the estimated loss is recognized immediately.

#### 2. Authority and Definition of Reporting Entity

The authority for this Revolving Fund was originally contained in Section 36 of The Department of Revenue, Supply and Services Act, R.S.S. 1978, and is continued under Section 12(1) of The Department of Supply and Services Act. The purpose of the Revolving Fund is to provide to public agencies:

- i) planning, feasibility analysis, management and consulting services with respect to computer based systems;
- ii) system development, maintenance and technical support services;
- iii) systems quality assurance services; and
- iv) access to system resources in national and international jurisdictions.

Accordingly a substantial portion of the Revolving Fund transactions are with related parties. Separate disclosure of the transactions will not serve any useful purpose.

#### 3. Authorized Financing

Section 12(10) of The Department of Supply and Services Act, provides for a maximum amount of accumulated net expenditure which may be outstanding at any time to be set by order of the Lieutenant Governor-in-Council. A maximum amount of two million dollars (\$2,000,000) was established by Order-in-Council in April, 1983.

#### 4. Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 12(4) of The Department of Supply and Services Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Systems Centre Revolving Fund shall be \$250,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) in excess of the maximum shall, as soon as possible after the close of the fiscal year be paid into (from) the Consolidated Fund.

## Systems Centre Revolving Fund

### Notes to Financial Statements — (Concluded)

#### 5. Furniture and Equipment

	1987		1986	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Furniture and Equipment .....	\$ 33,405	\$ 30,280	\$ 3,125	\$ 4,655
Computer Equipment .....	180,448	37,566	142,882	165,782
	<u>\$ 213,853</u>	<u>\$ 67,846</u>	<u>\$ 146,007</u>	<u>\$ 170,437</u>

#### 6. Costs Borne by Other Agencies

In accordance with established government practice, the Revolving Fund has not been charged with any occupancy costs and no provision for such costs is reflected in these statements. These costs together with certain general administrative and employee benefit costs are absorbed by various departmental appropriations.

#### 7. Correction of Error in Prior Period

On March 31, 1986 fixed assets with a net book value of \$267,723 and related deferred revenue of \$267,723 was inappropriately reflected in System Centre Revolving Fund's financial statements. The underlying nature of the transaction was that the Revolving Fund purchased the assets for \$272,258 and subsequently sold them to the Department of Supply and Services for \$272,258.

The March 31, 1986 balance sheet has been restated to reflect the reduction in fixed assets and deferred revenue by \$267,723. Revenue and depreciation expenses have been reduced by \$4,535 each to reflect that no rental revenue nor depreciation expense should have been recorded for these assets by the Revolving Fund. Additionally, revenue and equipment purchased for resale have been increased by \$272,258. The net effect on 1986 net income is nil.

#### 8. Cessation of Activities

The fund was wound up at the close of business on March 31, 1987 and subsequently all the assets and liabilities were transferred to the Consolidated Fund for subsequent transfer to the Saskatchewan Property Management Corporation as follows:

Cash .....	\$ 100
Accounts receivable .....	369,805
Inventories .....	25,641
Prepaid expenses .....	15,071
Accounts payable .....	(222,371)
Deferred revenue .....	(342,048)
Working capital transferred .....	(153,802)
Fixed assets .....	146,007
Net liability transferred .....	<u>\$ (7,795)</u>

## Northern Saskatchewan Economic Development Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the statement of financial position of the Northern Saskatchewan Economic Development Revolving Fund as at March 31, 1987, the statement of operations and accumulated deficit and the statement of financing activities for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1987, and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
June 24, 1987.

W. G. Lutz, F.C.A.  
Provincial Auditor.

### Statement of Financial Position

As at March 31

### Statement 1

#### Assets

		1987		1986
Loans receivable (Note 9) .....	\$ 10,201,303		\$ 10,071,977	
Less allowance for doubtful accounts (Note 9) .....	2,983,797	\$ 7,217,506	3,666,453	\$ 6,405,524
Accrued interest .....	691,955		990,286	
Less Allowance for doubtful accounts ...	548,042	143,913	865,844	124,442
Investment in leased assets receivable (Note 1 (f) and 8) .....		146,523		.....
Accounts receivable .....	224,062		224,514	
Less allowance for doubtful accounts ....	224,062	.....	224,514	.....
Due from Northern Forest Operations Ltd.		.....		29,634
Fixed assets — net book value (Note 6) ..		13,198		5,801
		<u>\$ 7,521,140</u>		<u>\$ 6,565,401</u>

#### Liabilities and Equity

##### Liabilities:

Accounts payable .....	\$ 12,320	\$ 16,719
Unearned finance income (Note 1 (f) and 8) .....	10,005	.....
Due to Minister of Finance (Statement 3) .....	7,215,814	6,405,524
	<u>7,238,139</u>	<u>6,422,243</u>

##### Equity:

Accumulated net expenditure (Statement 3) .....	672,344	434,349
Accumulated surplus (deficit) (Statement 2) (Note 4) ...	(389,343)	(291,191)
	<u>283,001</u>	<u>143,158</u>
	<u>\$ 7,521,140</u>	<u>\$ 6,565,401</u>

(See accompanying notes)

## Northern Saskatchewan Economic Development Revolving Fund

### Statement of Operations and Accumulated Deficit

For the Year Ended March 31

### Statement 2

	1987	1986
Revenue .....	\$ 541,118	\$ 449,770
Administrative expenses:		
Administration fee .....	.....	955
Salaries .....	422,586	282,779
Provision for uncollectible loans or accounts (Note 9) .....	267,766	139,097
Sundry .....	6,434	22,176
Travel and vehicle .....	67,484	45,955
	764,270	490,962
Net loss before extraordinary item .....	223,152	41,192
Extraordinary item		
Loss on sale of Forestry Division .....	.....	680,538
Net loss .....	223,152	721,730
Accumulated deficit, beginning of year .....	291,191	1,441,943
Accumulated deficit recovered .....	(125,000)	(1,872,482)
Accumulated deficit, end of year .....	\$ 389,343	\$ 291,191

(See accompanying notes)

## Northern Saskatchewan Economic Development Revolving Fund

### Statement of Financing Activities

### Statement 3

For the Year Ended March 31

	1987	1986
Change in Accumulated Net Expenditure:		
Financing requirements of (recovery by) the Revolving Fund		
Net capital acquisition:		
Purchase of fixed assets	\$ 9,216	\$ 5,531
Proceeds from sale of fixed assets	(1,000)	(741,100)
	8,216	(735,569)
Working capital changes:		
Decrease in cash		(450)
Increase (decrease) in accrued interest	19,471	(13,930)
Decrease in accounts receivable		(24,520)
Increase (decrease) in due from Northern Forest Operations Ltd.	(29,634)	29,634
Decrease in due from Saskatchewan Forest Products Corporation		(382,871)
Decrease in inventory		(1,885,829)
Increase in investment in lease assets receivable	146,523	
Decrease (increase) in current liabilities	(3,914)	149,115
	132,446	(2,128,851)
Recovery of accumulated deficit	(125,000)	(1,872,482)
	15,662	(4,736,902)
Less amount required to finance operations:		
Net loss	223,152	721,730
Deduct items not requiring an outlay of funds:		
Depreciation	(1,079)	(637)
Extraordinary loss on sale of Forestry Division		(680,538)
Gain on sale of fixed assets	260	
	222,333	40,555
Net cash expenditure (recovery)	237,995	(4,696,347)
Accumulated net expenditure, beginning of year	434,349	5,130,696
Accumulated net expenditure, end of year (Statement 1)	\$ 672,344	\$ 434,349
Change in Amount Due to Minister of Finance:		
Payments by Minister of Finance for loans	\$ 2,644,594	\$ 3,377,747
Less loans repaid to the Minister of Finance	(1,457,617)	(2,093,536)
Less provision for uncollectible loans, non-budgetary portion	(376,687)	(213,699)
Net increase in advances	810,290	1,070,512
Balance at beginning of year	6,405,524	5,335,012
Balance at end of year (Statement 1)	\$ 7,215,814	\$ 6,405,524

(See accompanying notes)



## Northern Saskatchewan Economic Development Revolving Fund

### Notes to Financial Statements

March 31, 1987

#### 1. Accounting Policies

##### a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end which are incurred prior to year-end are recorded as paid in the previous year.

##### b) Due to the Minister of Finance

This amount represents non-budgetary advances made by the Minister of Finance to provide funds for the loan program, less repayments of loans and less an allowance for doubtful accounts.

##### c) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the net cash outflow (inflow) from the Consolidated Fund to finance net capital acquisitions, working capital requirements and temporary financing of operating deficits of the revolving fund.

##### d) Accumulated Net Expenditure

The accumulated net expenditure of the Fund includes the following:

- i) Amounts due to the Minister of Finance as at March 31, 1982, and assumed by the revolving fund in respect of budgetary working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund revenue and expense activities as budgetary transactions.
- ii) Net cash expenditure (recovery) for each fiscal year thereafter.

##### e) Fixed Assets and Depreciation

Fixed assets are recorded at cost. The cost and accumulated depreciation of items retired or disposed of are removed from the books and any gains or losses are included in the statement of operations.

Depreciation of all fixed assets is charged to the operations of the revolving fund commencing in the first full month that each asset is used and is computed by dividing the cost less estimated salvage value by the estimated useful life of the assets.

The following rates apply:

Assets	Rates
Office equipment	10%

##### f) Leases

Finance income related to the direct financing leases is recognized in a manner that produces a constant rate of return on the investment in the lease. The investment in the lease for purposes of income recognition is composed of net minimum lease payments and unearned finance income.

#### 2. Authority and Definition of Accounting Entity

The authority for the establishment of this Revolving Fund is contained in section 5 of The Northern Saskatchewan Economic Development Act and sections 7.1 and 9.1 of The Department of Tourism and Small Business Act and the accounting policies are set forth in the regulations authorized by Treasury Board. The purpose of the Revolving Fund is to finance and provide a system of accounting for the provision of material and services as permitted by these Acts.

#### 3. Authorized Financing

Sections 9.1(13) and 9.1(14) of The Department of Tourism and Small Business Act provide for maximum of accumulated net expenditures and advances which may at any time be outstanding to be set by order of the Lieutenant Governor in Council. The maximum amounts have been set at \$15,000,000 for accumulated net expenditures and \$10,000,000 for advances.

#### 4. Disposition of Accumulated Operating Surplus or Deficit

Treasury Board under authority of Section 12 and 13 of The Department of Finance Act, has specified that the maximum accumulated surplus/deficit for the Northern Saskatchewan Economic Development Revolving Fund shall be \$250,000. Treasury Board has also stated that any accumulated surplus (deficit) in excess of the maximum at the end of a fiscal year shall within 15 months be paid into (from) the Consolidated Fund.

## Northern Saskatchewan Economic Development Revolving Fund

### Notes to Financial Statements — (Concluded)

#### 5. Loans

Loans bear interest at a rate established by order of the Minister of Tourism and Small Business and normally are repayable over a period not exceeding ten years. Security on individual loans varies according to what is considered adequate in the particular circumstances and includes promissory notes, mortgages on real property, chattel mortgages and insurance on assets and on the lives of borrowers. The provision for uncollectible loans is determined by personnel of the Revolving Fund through analysis of each loan, taking into account repayment history and other relevant information concerning the operation of the loan recipient.

#### 6. Fixed Assets

	1987 Total	1986 Total
Cost .....	\$ 15,786	\$ 7,310
Accumulated depreciation .....	2,588	1,509
Net book Value .....	<u>\$ 13,198</u>	<u>\$ 5,801</u>
Depreciation .....	<u>\$ 1,079</u>	<u>\$ 637</u>

#### 7. Related Party Transactions

In accordance with established government policy the Revolving Fund has not been charged with any occupancy costs and no provision for such costs is reflected in these statements. These costs are absorbed by various departmental appropriations.

Certain direct costs, including accounting and administrative costs related to the loans program, have been paid by The Department of Tourism and Small Business and the Department of Supply and Services and have not been reflected in these financial statements.

#### 8. Investments in Leased Assets Receivable

The Revolving Fund's net investment in leases includes the following:

Total minimum lease payments receivable	
— due 1987/88 .....	\$ 142,523
— due 1988/89 .....	4,000
Unearned finance income .....	10,005
	<u>\$ 136,518</u>

#### 9. Repossession and Maintenance Costs

During the year the Revolving Fund changed its accounting policy for repossession and maintenance costs and their subsequent recovery through the sale or lease of the corresponding assets from one of recording them as an expenditure or revenue in the year the transactions occurred to one of charging or crediting the outstanding balance of the loan. Although this change has been retroactively applied there is no effect on either the prior or current year's net loss or net loans receivable balance. The March 31, 1986 comparative figures that have been restated are as follows:

- (1) the loan receivable balance was increased from \$9,845,072 to \$10,071,977 with a corresponding increase in the allowance for doubtful loans account from \$3,439,548 to \$3,666,453.
- (2) the repossession and maintenance expense was reduced from \$29,071 to nil with a corresponding increase in the provision for uncollectable loans from \$110,026 to \$139,097.

#### 10. Comparative Figures

Certain comparative figures have been reclassified to conform with the 1987 presentation.

## Northern Construction Revolving Fund

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the balance sheet of the Northern Construction Revolving Fund as at March 31, 1987 and the statements of operations and accumulated operating deficit, and financing activities and accumulated net expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Revolving Fund as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
October 8, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As at March 31

### Statement 1

	1987	1986
<b>Assets</b>		
Current		
Accounts receivable .....	\$ .....	\$ .....
Fixed assets .....	.....	.....
	<u>\$ .....</u>	<u>\$ .....</u>
<b>Liabilities and Fund Equity</b>		
Current		
Accounts payable .....	\$ .....	\$ .....
Fund Equity		
Accumulated net expenditure (Statement 3) .....	.....	155,069
Accumulated operating deficit (Statement 2) .....	.....	(155,069)
	<u>\$ .....</u>	<u>\$ .....</u>

(See accompanying notes to the financial statements)

## Northern Construction Revolving Fund

### Statement of Operations and Accumulated Operating Deficit

Year Ended March 31

### Statement 2

	1987	1986
Sales of services .....	\$ .....	\$ .....
Expenses		
Cost of sales .....	.....	.....
General operating and administrative .....	.....	.....
Net loss on operations .....	.....	.....
Gain (loss) on disposal of fixed assets .....	.....	.....
Net gain (loss) .....	.....	.....
Accumulated operating deficit — beginning of year .....	(155,069)	(155,069)
Accumulated operating deficit recovered from the Consolidated Fund .....	155,069	.....
Accumulated operating deficit, end of year (to Statement 1) .....	\$ .....	\$ (155,069)

(See accompanying notes to the financial statements)

### Statement of Financing Activities and Accumulated Net Expenditure

Year Ended March 31

### Statement 3

	1987	1986
Financing requirements		
Recovery of accumulated deficit .....	\$ 155,069	\$ .....
Proceeds from sale of fixed assets .....	.....	.....
Working capital changes		
(Decrease) in accounts receivable .....	.....	.....
Decrease in accounts payable .....	.....	.....
Total financing requirement .....	155,069	.....
Add: Funds required for operations		
Loss from operations .....	.....	.....
Items not involving flow of funds:		
Provisions for depreciation .....	.....	.....
Write-off of fixed assets .....	.....	.....
Gain (loss) on disposal of fixed assets .....	.....	.....
Net cash (recovery) .....	(155,069)	.....
Accumulated net expenditure, beginning of year .....	155,069	155,069
Accumulated net expenditure, end of year — to Statement 1 .....	\$ .....	\$ 155,069

(See accompanying notes to the financial statements)

## Northern Construction Revolving Fund

### Notes to Financial Statements

March 31, 1987

#### 1. Accounting Policies

##### (a) Authority and Definition of Accounting Entity

The authority for this revolving fund is contained in Section 16(2) of The Northern Saskatchewan Economic Development Act. The purpose of the fund is to finance and provide a system of accounting for "Construction Services" and "Air Transportation Services" as defined in Section 16 of The Northern Saskatchewan Economic Development Act.

##### (b) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- (i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- (ii) Disbursements made within 30 days after the fiscal year-end which were incurred prior to year-end are recorded as paid in the previous year.

##### (c) Net Cash Expenditure (Recovery)

The net cash expenditure (recovery) for a fiscal year is the total cash outflow (inflow) from (to) the Consolidated Fund related to the financing of net capital acquisitions, working capital requirements and the financing of (provided) by operating deficits (surpluses) of the revolving fund.

##### (d) Accumulated Net Expenditure (Recovery)

The accumulated net expenditure of the fund includes the following:

- (i) Amounts due to the Minister of Finance as at March 31, 1982 and assumed by the revolving fund in respect of working capital advances. These advances were subsequently written off by Treasury Board Order concurrent with a change in Consolidated Fund accounting policy which treats the financing of revolving fund activities as budgetary transactions.
- (ii) Net cash expenditure (recovery) for each fiscal year thereafter.

##### (e) Authorized Financing

Section 16(11) of The Northern Saskatchewan Economic Development Act provides for a maximum amount of accumulated net expenditure which may at any time be outstanding to be set by order of the Lieutenant Governor-in-Council. A maximum amount of \$5,000,000 was set by Order-in-Council in May, 1983.

##### (f) Disposition of Accumulated Operating Surplus or Deficit

In accordance with Section 16(5) of The Northern Saskatchewan Economic Development Act, the Minister shall pay to the Consolidated Fund all or any part of any surplus in the Revolving Fund that Treasury Board may direct. Treasury Board has specified that the maximum accumulated surplus/deficit for the Northern Construction Revolving Fund shall be \$150,000. Treasury Board has also specified that if at the end of a fiscal year the accumulated surplus (deficit) exceeds the maximum, then any surplus (deficit) shall, as soon as possible after the close of the fiscal year, be paid into (from) the Consolidated Fund.

##### (g) Costs Borne by Other Agencies

In accordance with established Government policy, the Revolving Fund has not been charged with certain costs including occupancy, financing and certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore no provision for such costs is reflected in these financial statements.



## ***Other Financial Statements***

## Carlton Trail Community College

### Auditor's Report

Members of the Board  
Carlton Trail Community College  
Humboldt, Saskatchewan S0K 2A0

We have examined the operating fund and capital fund balance sheets of Carlton Trail Community College as at June 30, 1986 and the statements of revenue and expenditure and of changes in fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1986 and the results of its operations and the changes in financial position for the year then ended, in accordance with accounting practices appropriate for community colleges applied on a basis consistent with that of the preceding year.

Wynyard, Saskatchewan,  
August 28, 1986

E. J. C. Dudley & Co.  
Chartered Accountants

### Balance Sheet — Operating Fund

	June 30	
	1986	1985
<b>Assets</b>		
<b>Current Assets</b>		
Cash .....	\$ 23,927	\$ 145,985
Accounts receivable .....	68,511	41,731
Inventories .....	629	1,405
<b>Total Assets</b> .....	<u>\$ 93,067</u>	<u>\$ 189,121</u>
<b>Liabilities and Surplus</b>		
<b>Current Liabilities</b>		
Accounts payable .....	\$ 7,199	\$ 18,457
Deferred revenue .....	9,533	21,626
<b>Total Liabilities</b> .....	<u>\$ 16,732</u>	<u>\$ 40,083</u>
<b>Reserve — Equipment replacement</b> .....	8,811	1,811
<b>Surplus</b> .....	67,524	147,227
<b>Total Liabilities and Surplus</b> .....	<u>\$ 93,067</u>	<u>\$ 189,121</u>

"See accompanying notes"

### Balance Sheet — Capital Fund

	1986		1985	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
<b>Assets</b>				
<b>Fixed Assets</b>				
Equipment .....	\$ 139,961	\$ 74,632	\$ 65,329	\$ 43,704
Office furniture and fixtures .....	48,694	36,366	12,328	14,729
Leasehold improvements .....	7,480	7,480	.....	3,093
<b>Total Fixed Assets</b> .....	<u>\$ 196,135</u>	<u>\$ 118,478</u>	<u>\$ 77,657</u>	<u>\$ 61,526</u>

	June 30	
	1986	1985
<b>Equity</b>		
Balance beginning of year .....	\$ 61,526	\$ 41,218
Transfers from operating fund .....	38,638	37,667
Depreciation .....	(22,507)	(17,359)
<b>Balance, end of year</b> .....	<u>\$ 77,657</u>	<u>\$ 61,526</u>

"See accompanying notes"

## Carlton Trail Community College

### Statement of Changes in Fund Balances

	Year Ended June 30			
	1986		1985	
	Current Operating Fund	Capital Fund	Current Operating Fund	Capital Fund
Revenue and Other Additions				
Current fund revenues .....	\$ 1,325,342	\$ .....	\$ 1,347,092	\$ .....
Equipment purchased through current operating fund .....	.....	38,638	.....	37,667
Total Revenue and Other Additions ....	\$ 1,325,342	\$ 38,638	\$ 1,347,092	\$ 37,667
Expenditures and Other Deductions				
Education and general expenditure ....	\$ 1,366,408	\$ .....	\$ 1,267,659	\$ .....
Expended for equipment .....	38,638	.....	37,667	.....
Depreciation .....	.....	22,507	.....	17,359
Total Expenditures and Other Deductions .....	\$ 1,405,046	22,507	1,305,326	17,359
Net Increase (Decrease) for the Year ....	\$ (79,704)	\$ 16,131	\$ 41,766	\$ 20,308
Fund Balance beginning of the year ....	147,227	61,526	105,461	41,218
Fund Balance end of year .....	\$ 67,523	\$ 77,657	\$ 147,227	\$ 61,526

"See accompanying notes"

### Operating Fund

#### Statement of Revenue, Expenses and Other Changes

	Year Ended June 30			
	1986		1985	
	Un-sponsored Programs	Sponsored Programs	Total	Total
Revenue				
Operating tuition fees and payments ...	\$ 140,136	\$ 449,437	\$ 589,573	\$ 616,255
Supplemental payments .....	499,800	.....	499,800	525,012
Administration .....	80,660	.....	80,660	82,863
Other .....	154,943	366	155,309	122,962
Total Revenue .....	875,539	449,803	1,325,342	1,347,092
Expenses				
Program — direct costs .....	349,837	462,486	812,323	763,323
— support costs .....	321,850	.....	321,850	299,901
Administration .....	232,235	.....	232,235	204,435
Total Expenses .....	903,922	462,486	1,366,408	1,267,659
Excess of Revenue over Expenses .....	(28,383)	(12,683)	(41,066)	79,433
Capital Expenditures				
Equipment .....	37,957	.....	37,957	22,111
Furniture and Fixtures .....	440	240	680	9,885
Leasehold improvements .....	.....	.....	.....	5,671
Total Capital Expenditures .....	38,397	240	38,637	37,667
Surplus (Deficit) for the Year .....	\$ (66,780)	\$ (12,923)	\$ (79,703)	\$ (41,766)
Surplus — beginning of year .....			147,227	105,461
Surplus — End of Year .....			\$ 67,524	\$ 147,227

"See accompanying notes"

## Carlton Trail Community College

### Schedule of Direct Program Expenses

	Year Ended June 30			1986	
				1986	1986
	Un-sponsored Programs	Sponsored Programs	Total	Total	Total
Advertising .....	\$ 33,186	\$ 2,477	\$ 35,663	\$ 22,169	
Agency payments .....	75,370	241,717	317,087	333,660	
Reference books .....	20	.....	20	130	
In-service training .....	1,369	1,658	3,027	3,177	
Instructional material .....	4,115	16,389	20,504	18,601	
Other direct costs .....	2,013	206	2,219	3,136	
Office expense .....	9,347	6,681	16,028	17,818	
Rent — facilities .....	63,212	12,952	76,164	57,369	
Rent — equipment .....	10,717	15,605	26,322	35,116	
Repairs and maintenance .....	11,385	4,137	15,522	11,109	
Salaries — program personnel .....	10,380	.....	10,380	6,690	
— instructors .....	90,774	148,556	239,330	212,994	
Salaries — janitorial .....	2,933	.....	2,933	4,062	
Staff benefits .....	1,708	9,113	10,821	8,913	
Travel .....	22,326	2,629	24,955	21,071	
Tuition refunds .....	394	.....	394	537	
Supplies for resale .....	10,198	366	10,564	6,739	
Sundry .....	390	.....	390	32	
Total Direct Program Expenses .....	<u>\$ 349,837</u>	<u>\$ 462,486</u>	<u>\$ 812,323</u>	<u>\$ 763,323</u>	

### Schedule of Support Expenses

	Year Ended June 30	
	1986	1985
Advertising .....	\$ 1,451	\$ 1,520
Reference books .....	875	752
Dues and subscriptions .....	276	175
Postage .....	9,151	9,134
Supplies and stationery .....	7,821	8,767
Telephone .....	18,284	17,500
Rent — building .....	3,948	3,898
— equipment .....	1,484	1,513
Repairs and Maintenance .....	.....	.....
Salaries .....	237,030	220,555
Staff benefits .....	18,853	15,056
Travel .....	21,022	18,152
In-service training .....	1,640	1,814
Sundry .....	15	1,065
Total Program Support Expenses .....	<u>\$ 321,850</u>	<u>\$ 299,901</u>

## Carlton Trail Community College

### Schedule of Administration Expense

	Year Ended June 30	
	1986	1985
Board expenses — travel .....	\$ 7,846	\$ 5,794
— honoraria .....	15,923	10,275
Board expenses — dues .....	3,865	3,341
— other .....	1,398	583
Reference books .....	411	567
In-service training .....	1,800	902
Dues and subscriptions .....	179	104
Insurance .....	3,453	2,864
Postage .....	3,050	3,093
Stationery and supplies .....	2,607	1,406
Telephone .....	6,095	5,769
Utilities .....	3,550	4,085
Sundry .....	2,585	706
Audit fees .....	2,800	6,500
Rent — office .....	29,124	29,697
— equipment .....	3,953	4,747
Repairs and Maintenance .....	5,717	4,508
Salaries .....	111,360	102,573
Staff benefits .....	9,084	8,314
Travel .....	5,570	3,362
Legal fees .....	4,865	1,145
Equipment replacement reserve .....	7,000	4,100
Total Administration Expense .....	<u>\$ 232,235</u>	<u>\$ 204,435</u>

### Notes to Financial Statements

June 30, 1986

#### 1. Significant Accounting Policies

The financial statements have been prepared in accordance with generally accepted accounting principles, and reflect the following policies:

##### Inventories

Inventories are valued at cost.

##### Fixed Assets

Fixed assets are stated at cost in the capital fund and additions to fixed assets are included in the expenditures of the operating fund. Depreciation is not provided for as current operating expense in the statement of revenues, expenditures and other charges, nor is it included in the current section of the statement of changes in fund balances. This is consistent with the accounting policies adopted by the Saskatchewan Community Colleges. For purposes of the capital fund, depreciation is provided as follows:

Equipment	20% of the declining balance
Furniture and fixtures	20% of the declining balance
Leasehold improvement	Straight line over 2 - 5 years

##### Deferred Revenues

Rent prepayments have been deferred to match the periods covered under the terms of the lease.

Department of Advanced Education and Manpower prepayments of salary bonuses has been deferred to match the periods covered for in the 1986-87 budget.



## Coteau Range Community College

### Auditor's Report

To The Board Members of Coteau Range Community College

We have examined the capital fund and operating fund balance sheets of Coteau Range Community College as at June 30, 1986 and the statements of revenue and expenditure, operating fund surplus (deficit) and equity in capital fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1986 and the results of its operations and the changes in its financial position for the year then ended, in accordance with Community College Fund accounting principles applied on a basis consistent with that of the preceding year.

Moose Jaw, Saskatchewan,  
September 18, 1986

Boadway & Tiede  
Chartered Accountants

### Capital Fund Balance Sheet

As at June 30, 1986

	Cost	Accumulated Depreciation	1986	1985
<b>Assets</b>				
<b>Fixed Assets</b>				
Furniture .....	\$ 37,462	\$ 12,070	\$ 25,392	\$ 12,987
Equipment .....	193,304	90,724	102,580	83,536
Leasehold improvements .....	354,936	39,654	315,282	16,729
	<u>\$ 585,702</u>	<u>\$ 142,448</u>	<u>\$ 443,254</u>	<u>\$ 113,252</u>
<b>Equity in Capital Assets</b>				
Equity — per statement .....			<u>\$ 443,254</u>	<u>\$ 113,252</u>

### Statement of Equity in Capital Fund

For the Year Ended June 30, 1986

	1986	1985
Balance — beginning of year .....	\$ 113,252	\$ 62,748
Add: Transfer from operating fund (Note 1) .....	399,487	72,888
	<u>512,739</u>	<u>135,636</u>
Deduct: Disposal of equipment .....	780	4,248
Current year depreciation (Note 1) .....	68,705	18,136
	<u>69,485</u>	<u>22,384</u>
Balance — end of year .....	<u>\$ 443,254</u>	<u>\$ 113,252</u>

## Coteau Range Community College

### Operating Fund Balance Sheet

As at June 30, 1986

#### Assets

	1986	1985
<b>Current Assets</b>		
Petty cash and travel advances .....	\$ 2,600	\$ 3,275
Bank .....	.....	165,422
Accounts receivable .....	210,959	235,967
Prepaid expenses .....	14,077	11,379
	<u>\$ 227,636</u>	<u>\$ 416,043</u>

#### Liabilities and Surplus

##### Current Liabilities

Bank, cheques issued in excess of bank balance (Note 2) .....	58,861	.....
Accounts payable .....	\$ 15,059	\$ 15,450
Advance — Department of Advanced Education and Manpower .....	197,000	120,000
Unearned revenue .....	9,201	62,637
	<u>280,121</u>	<u>198,087</u>
Reserve — Building Renovations .....	.....	150,000
Operating Fund Surplus (Deficit) .....	(52,485)	67,956
	<u>\$ 227,636</u>	<u>\$ 416,043</u>

### Statement of Operating Fund Surplus (Deficit)

For the Year Ended June 30, 1985

	1986	1985
Balance — beginning of year .....	\$ 67,956	\$ 119,516
Excess revenue (expenditure) for the year .....	(120,441)	98,440
	<u>(52,485)</u>	<u>217,956</u>
Transfer to reserve for building renovations .....	.....	150,000
Balance — end of year .....	<u>\$ (52,485)</u>	<u>\$ 67,956</u>

### Statement of Revenue and Expenditure

For the Year Ended June 30, 1986

	Un-sponsored Programs	Sponsored Programs	Total 1986	Un-sponsored Programs	Sponsored Programs	Total 1985
<b>Revenue</b>						
Provincial Government (Notes 4, 5, 6) .....	\$ 601,181	\$ 859,637	\$ 1,460,818	\$ 583,017	\$ 735,820	\$ 1,318,837
Tuition Fees (Note 3) .....	192,544	.....	192,544	168,476	.....	168,476
Other .....	214,569	.....	214,569	97,829	.....	97,829
Administration charges .....	43,942	20,000	63,942	17,505	33,750	51,255
Total Revenues .....	<u>1,052,236</u>	<u>879,637</u>	<u>1,931,873</u>	<u>866,827</u>	<u>769,570</u>	<u>1,636,397</u>
<b>Expenditure (Schedules 1, 2)</b>						
Administration .....	274,781	20,000	294,781	206,586	15,005	221,591
Program Direct (Note 7) .....	273,267	859,637	1,132,904	230,220	657,467	887,687
Program Support .....	375,142	.....	375,142	258,693	97,098	355,791
Total Expenses .....	<u>923,190</u>	<u>879,637</u>	<u>1,802,827</u>	<u>695,499</u>	<u>769,570</u>	<u>1,465,069</u>
Excess Operating Revenue for the Year .....	129,046	.....	129,046	171,328	.....	171,328
Transfer From Reserves .....	150,000	.....	150,000	.....	.....	.....
Capital Expenditures (Note 1) .....	399,487	.....	399,487	72,888	.....	72,888
Excess Revenue (Expenditure) for the Year .....	<u>\$ (120,441)</u>	<u>\$ .....</u>	<u>\$ (120,441)</u>	<u>\$ 98,440</u>	<u>\$ .....</u>	<u>\$ 98,440</u>

## Coteau Range Community College

### Schedule of Expenditure

#### Un-sponsored and Sponsored — Departments 110-260

For the Year Ended June 30, 1986

#### Schedule 1

	Un-sponsored Programs	Sponsored Programs	Total 1986	Un-sponsored Programs	Sponsored Programs	Total 1985
<b>Administrative Expenses</b>						
Board expenses .....	\$ 34,869	\$ .....	\$ 34,869	\$ 24,799	\$ .....	\$ 24,799
Unallocated costs .....	3,950	.....	3,950	1,850	.....	1,850
Office expenses .....	48,900	.....	48,900	27,445	.....	27,445
Rentals .....	26,157	.....	26,157	28,469	.....	28,469
Repairs and maintenance .....	15,522	.....	15,522	3,502	.....	3,502
Salaries and employee benefits ..	135,477	.....	135,477	113,272	.....	113,272
Other .....	9,906	20,000	29,906	7,249	15,005	22,254
To Revenue and Expenditure .....	<u>274,781</u>	<u>20,000</u>	<u>294,781</u>	<u>206,586</u>	<u>15,005</u>	<u>221,591</u>
<b>Program Direct</b>						
Advertising, publicity and promotion .....	33,241	6,437	39,678	32,610	2,009	34,619
Course costs .....	128,128	50,069	178,197	65,638	68,739	134,377
Office expenses .....	1,541	27,663	29,204	2,513	20,958	23,471
Rentals .....	24,265	226,154	250,419	20,666	151,647	172,313
Repairs and maintenance .....	971	4,398	5,369	2,269	11,667	13,936
Salaries and employee benefits ..	65,053	558,367	623,420	79,535	398,362	477,897
Other .....	20,068	6,549	26,617	26,989	4,085	31,074
To Revenue and Expenditure .....	<u>\$ 273,267</u>	<u>\$ 879,637</u>	<u>\$ 1,152,904</u>	<u>\$ 230,220</u>	<u>\$ 657,467</u>	<u>\$ 887,687</u>

### Schedule of Expenditure

#### Un-sponsored and Sponsored — Departments 110-260

For the Year Ended June 30, 1986

#### Schedule 2

	Un-sponsored Programs	Sponsored Programs	Total 1986	Un-sponsored Programs	Sponsored Programs	Total 1985
<b>Program Support</b>						
Office expenses .....	\$ 45,625	\$ .....	\$ 45,625	\$ 30,075	\$ .....	\$ 30,075
Rentals .....	13,973	.....	13,973	10,297	.....	10,297
Repairs and maintenance .....	25,906	.....	25,906	2,822	.....	2,822
Salaries and employee benefits ..	267,207	.....	267,207	198,167	93,585	291,752
Other .....	22,431	.....	22,431	17,332	3,513	20,845
To Revenue and Expenditure .....	<u>\$ 375,142</u>	<u>\$ .....</u>	<u>\$ 375,142</u>	<u>\$ 258,693</u>	<u>\$ 97,098</u>	<u>\$ 355,791</u>

## Coteau Range Community College

### Notes to the Financial Statements

For the Year Ended June 30, 1986

#### 1. Significant Accounting Policies

These financial statements have been prepared in accordance with accounting practices which vary in certain respects from generally accepted accounting principles. The more significant practices are as follows:

A fund is a separate self-balancing group of accounts provided for each accounting entity established within the accounting system, to segregate those transactions of a particular activity. These funds are:

##### Current Operating Fund

This fund contains the current revenues, expenditures, assets and liabilities which concern the general operations of the College. Included in current operating fund expenditures are transfers to the capital fund for the purchase of capital assets.

##### Capital Fund

The capital fund contains the capital assets which are teaching aids, office equipment and equity in the capital fund assets.

Purchases of equipment are financed either by transfers from the current operating fund, capital grants, sale of property and equipment and capital loans. Depreciation is provided on the equipment using the declining balance method at the following rates:

Computer equipment	— 30%
Furniture and equipment	— 20%
Improvements	— 20%

Fixed assets are expensed through the operating fund in the year of acquisition.

During the year, the College purchased from operating fund monies, furniture, equipment and leasehold improvements in the amount of \$398,707.

The Alexandra renovations of \$331,602. include the following:

General contractor	\$254,695
Paint and lumber supplies	20,501
Floor covering and drapes	13,856
Plumbing	2,814
Electrical	10,952
Windows	3,307
Locks	1,585
Cement	3,340
Fence and landscape	7,154
Equipment rentals	1,866
Sub contractors	2,000
Miscellaneous	9,532
	<u>\$331,602</u>

#### 2. Line of Credit

The College has an approved operating line of credit in the amount of \$250,000. established with the Canadian Imperial Bank of Commerce.

#### 3. Tuition

Tuition is shown net of tuition refunds which totalled \$15,438. due mainly to course cancellation from low enrollment. Tuition collected by the universities on the College's behalf is included totalling \$90,631.

#### 4. Cost Shared Support Grant

The College received a support grant of \$88,981. from the Provincial Government to assist in operating cost shared programs and has been allocated as follows:

- Program Coordination — ABE Director Services, shown as \$20,000. in ABE Sponsored Revenue.
- Program Needs Identification — Portion of all coordination time, \$15,000. — transferred to Un-sponsored Support Salaries.
- Students' Needs and Support — Career Services. \$13,000. transferred to Un-sponsored Support Salaries.
- Financial Program Administration — \$30,981.
- Learning Centre Development — \$10,000.

## Coteau Range Community College

### Notes to Financial Statements — (Concluded)

#### 5. Sponsored Program Payments

The College received revenue from the Department of Advanced Education and Manpower for part-time, less than 100% recoverable programs. These programs included English as a Second Language and French as a Second Language.

The English as a Second Language program was reimbursed \$1,560 which represented 50% of the instructors' salaries. The French as a Second Language program was reimbursed \$2,245 which represented 50% of all expenses.

#### 6. Lease Obligations

The Coteau Range Community College holds a five year amended lease agreement with W.B.I. Holdings (formally Moose Jaw Business Plaza Ltd.) for main office space and two classrooms at 637 Main Street North at Moose Jaw that expires October 31, 1990. The net rent is \$16,632. including a \$1,000. a year escalator clause. 1,953 square feet of office space has been sublet to Thunder Creek Home Care District #6.

The College holds a five year lease agreement with T. Charmayne and Andre LeRuyet for 1,770 square feet of office space at their Southern branch office located at 200 Centre Street, Assiniboia. The annual fixed rent is \$7,800. plus utilities. The agreement expires February 28, 1991 and has a five year renewal option.

The College holds a five year lease with Jim and Alaine Cran for approximately 912 square feet of office space for their Northern branch office located at Washington Street, Davidson. The annual fixed rent is \$3,840. The agreement expires February 28, 1988 and has a five year renewal option.

The College has signed an agreement with the City of Moose Jaw to lease indefinitely the Alexandra School at \$1.00 annual rent. The College has undertaken renovations of \$331,602. on phase one in the current year. The Provincial government sponsored program rent/renovation grant amounted to \$138,162.

#### 7. Alexandra School Operation

Caretaking .....	\$ 31,077
Utilities .....	18,787
Salaries and benefits .....	41,154
Repairs and maintenance .....	1,664
Other .....	397
Rent .....	1
	<u>\$ 93,080</u>

The above costs of operation are included in the Un-sponsored Program expenditures under the headings Administration and Support. \$26,430 has been received from the Saskatchewan Employment Development Program to recover a portion of the salaries and benefits.



## Cumberland Community College

### Auditors' Report

Members of the Board  
Cumberland Community College  
Nipawin, Saskatchewan

We have examined the operating fund and capital fund balance sheets of Cumberland Community College as at June 30, 1986 and the statements of changes in surplus and of revenue and expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1986 and the results of its operations and the changes in surplus for the year then ended, in accordance with generally accepted accounting policies described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Nipawin, Saskatchewan,  
August 27, 1986

Armstrong & Neumann  
Chartered Accountants

### Balance Sheet — Operating Fund

#### Assets

	June 30	
	1986	1985
Current Assets		
Cash .....	\$ 18,044	\$ 70,303
Accounts receivable .....	39,550	52,968
Prepaid expenses .....	7,534	9,027
Total Current Assets .....	<u>\$ 65,128</u>	<u>\$ 132,298</u>

#### Liabilities and Surplus

##### Current Liabilities

Accounts payable .....	\$ 24,255	\$ 23,373
Accountable advance .....	19,000	17,000
Total Liabilities .....	<u>43,255</u>	<u>40,373</u>
Surplus .....	21,873	91,925
Total Liabilities and Surplus .....	<u>\$ 65,128</u>	<u>\$ 132,298</u>

"See accompanying notes"

### Balance Sheet — Capital Fund

	1986		1985	
	Cost	Accumulated depreciation	Net book value	Net book value
Fixed Assets (note 2)				
Films .....	\$ 2,996	\$ 2,859	\$ 137	\$ 197
Audio visual and other educational equipment .....	44,354	24,830	19,524	19,551
Automotive equipment .....	6,775	3,455	3,320	4,742
Office furniture and fixtures .....	47,989	34,142	13,847	16,709
Leasehold improvements .....	8,504	4,043	4,461	2,128
Total Fixed Assets .....	<u>\$ 110,618</u>	<u>\$ 69,329</u>	<u>\$ 41,289</u>	<u>\$ 43,327</u>

#### Equity

	1986	1985
Surplus		
Balance beginning of year .....	\$ 43,327	\$ 34,629
Transfers from operating fund .....	9,487	20,763
Depreciation .....	(11,525)	(12,065)
Total Equity .....	<u>\$ 41,289</u>	<u>\$ 43,327</u>

"See accompanying notes"

## Cumberland Community College

### Statement of Changes in Surplus

	Year Ended June 30			
	1986		1985	
	Operating fund	Capital fund	Operating fund	Capital fund
Revenues and Other Additions				
Current fund revenues .....	\$ 848,275	\$ .....	\$ 877,981	\$ .....
Facilities and equipment purchased through current operating fund .....	.....	9,487	.....	26,789
Total Revenues and Other Additions ..	848,275	9,487	877,981	26,789
Expenditures and Other Deductions				
Education and general expenditures ...	897,727	.....	840,570	.....
Expended for facilities and equipment ..	9,487	.....	20,763	.....
Depreciation .....	.....	11,525	.....	12,065
Proceeds on sale of equipment .....	.....	.....	.....	6,026
Prior period adjustment (note 4) .....	11,113	.....	.....	.....
Total Expenditures and Other Deductions .....	918,327	11,525	861,333	18,091
Net Increase (Decrease) for the Year ..	(70,052)	(2,038)	16,648	8,698
Surplus — beginning of Year .....	91,925	43,327	75,277	34,629
Surplus — End of Year .....	\$ 21,873	\$ 41,289	\$ 91,925	\$ 43,327

"See accompanying notes"

### Operating Fund

#### Statement of Revenue, Expenses and Other Charges

	Year Ended June 30			
	1986		1985	
	Un-sponsored Programs	Sponsored Programs	Total	Total
Revenue				
Operating tuition fees payments .....	\$ 89,599	\$ 288,795	\$ 378,394	\$ 397,464
Supplemental payments .....	414,264	.....	414,264	432,024
Other .....	55,617	.....	55,617	48,493
Total Revenue .....	559,480	288,795	848,275	877,981
Expenses				
Program — direct costs .....	209,676	238,795	448,471	436,065
— supportive costs .....	256,501	.....	256,501	237,423
Administration .....	142,755	50,000	192,755	167,082
Total Expenses .....	608,932	288,795	897,727	840,570
Excess of Revenue Over Expenses .....	(49,452)	.....	(49,452)	37,411
Capital Expenditures				
Audio visual and other educational equipment .....	4,854	.....	4,854	2,687
Automotive equipment .....	.....	.....	.....	6,775
Office furniture and equipment .....	600	.....	600	10,836
Leasehold improvements .....	4,033	.....	4,033	465
Total Capital Expenditures .....	9,487	.....	9,487	20,763
Surplus (Deficit) for Year .....	\$ (58,939)	\$ .....	\$ (58,939)	\$ 16,648
Surplus — beginning of year .....	.....	.....	91,925	75,277
Prior period adjustment (note 4) .....	.....	.....	(11,113)	.....
Surplus — end of year .....	.....	.....	\$ 21,873	\$ 91,925

"See accompanying notes"

## Cumberland Community College

### Schedule of Direct Program Expense

	Year Ended June 30			1985
	1986			
	Un-sponsored Programs	Sponsored Programs	Total	Total
Advertising .....	\$ 20,698	\$ 1,210	\$ 21,908	\$ 22,091
Agency payments .....	22,936	.....	22,936	17,931
Career counselling .....	25,296	.....	25,296	15,160
Reference books .....	.....	.....	.....	7
In-service training .....	737	.....	737	559
Instructional material .....	7,768	25,909	33,677	44,089
Other direct costs .....	2,160	556	2,716	11,443
Other professional services .....	3,640	.....	3,640	7,763
Rent — facilities .....	26,468	31,452	57,920	71,032
— equipment .....	335	3,939	4,274	12,744
Repairs — educational equipment .....	691	.....	691	2,819
Salaries — instructors .....	58,849	161,549	220,398	190,481
Supplies and stationery .....	.....	1,274	1,274	.....
Staff benefits .....	1,658	5,764	7,422	7,762
Telephone .....	.....	782	782	.....
Travel and conferences .....	11,228	5,611	16,839	13,017
Tuition fee refunds .....	814	.....	814	819
Supplies for resale .....	18,151	.....	18,151	15,974
Workers' compensation .....	251	749	1,000	286
Decentralized committee expenses .....	7,996	.....	7,996	2,088
Total Direct Program Expense .....	\$ 209,676	\$ 238,795	\$ 448,471	\$ 436,065

### Schedule of Program Support Expenses

	Year Ended June 30	
	1986	1985
Advertising, publicity and promotion .....	\$ 2,823	\$ 2,275
Postage .....	5,364	4,899
Reference books .....	566	.....
Supplies and stationery .....	6,780	5,630
Telephone .....	17,735	15,520
Freight .....	1,193	952
Repairs and maintenance — equipment .....	1,695	175
Repairs and maintenance — automotive .....	5,224	2,307
Rent — building .....	16,044	14,460
Rent — automotive .....	5,014	.....
Rent — equipment .....	3,495	4,702
Salaries — co-ordinators .....	122,723	111,671
Salaries — clerical .....	35,567	41,714
Staff benefits .....	14,481	14,166
Workers' compensation .....	875	392
Travel .....	4,926	11,396
In-service training .....	2,576	3,521
Local contact committees .....	1,630	2,440
Utilities .....	4,514	1,019
Other .....	3,276	184
Total Program Support Expenses .....	\$ 256,501	\$ 237,423

## Cumberland Community College

### Schedule of Administration Expenses

	Year Ended June 30	
	1986	1985
Board expenses — travel .....	\$ 8,258	\$ 6,414
— honoraria .....	14,586	11,355
Board expenses — benefits .....	140	.....
— other .....	5,064	4,045
Reference books .....	72	22
In-service training .....	355	75
Bank charges .....	234	.....
Dues and subscriptions .....	913	621
Insurance .....	2,274	2,069
Postage .....	1,760	1,733
Supplies and stationery .....	2,220	3,159
Other administrative expenses .....	1,999	2,616
Telephone .....	5,731	5,146
Utilities .....	2,092	3,229
Freight .....	597	212
Audit fees .....	3,950	5,600
Legal fees .....	14,112	5,623
Rent — buildings .....	13,032	12,800
Rent — office equipment .....	3,914	2,292
Repairs to office equipment .....	1,252	5,166
Janitorial services .....	1,748	1,795
Salaries .....	93,751	82,829
Staff benefits .....	8,816	4,772
Workers' compensation .....	377	490
Travel and conferences .....	5,508	5,019
Total Administration Expenses .....	<u>\$ 192,755</u>	<u>\$ 167,082</u>

## Cumberland Community College

### Notes to the Financial Statements

June 30, 1986

#### 1. Significant Accounting Policies

The significant accounting policies used by the college are:

##### Fund Accounting

A fund is a separate self-balancing group of accounts provided for each accounting entity established within the accounting system, to segregate the transactions of a particular activity. The community college segregates the following funds:

##### a) Operating Fund

The operating fund contains the current revenue, expenditures, assets, liabilities and surplus pertaining to the general operations of the college.

##### b) Capital Fund

The capital fund contains the capital assets, which are property and equipment, any long term debt with respect to acquisition of these assets, and surplus, which is the equity in capital fund assets.

#### 2. Fixed Assets

Fixed assets are stated at cost in the capital fund and additions to fixed assets are included in the expenditures of the operating fund. Depreciation is not provided for as current operating expense in the statement of revenues, expenditures and other charges, nor is it included in the current section of the statement of changes in surplus. This is consistent with the accounting policies adopted by the Saskatchewan Community Colleges. For purposes of the capital fund, depreciation is provided using the following methods and rates:

Automotive	30% of the declining balance
Films	30% of the declining balance
Furniture and fixtures	20% of the declining balance
Leasehold improvements	Straight line over 5 years

#### 3. Leases

The college currently leases office space in three urban centres. It also leases two cars. The terms of the leases follow:

	<u>Monthly Lease</u>	<u>Term of Lease</u>
Nipawin office .....	\$ 1,050	1 year
Melfort office .....	\$ 1,100	3 years
Tisdale office .....	\$ 475 plus escalation	3 years
Vehicle #1 .....	\$ 191	3 years
Vehicle #2 .....	\$ 188	3 years

The future minimum lease payments arising:

1987	\$ 36,048
1988	23,448
1989	6,800
1990	.....
1991	.....

#### 4. Prior Period Adjustment

An adjustment of \$11,113.00 was made with regard to a court awarded settlement on a claim for dismissal with cause. Related court costs in the amount of \$3,099 were recorded as a current year's legal expense.

#### 5. Comparative Figures

Certain prior year's figures were restated to conform to the current year's presentation.



## Cypress Hills Community College

### Auditors' Report

To the Board of the  
Cypress Hills Community College

We have examined the statement of operating fund financial position and the statement of capital fund financial position of the Cypress Hills Community College as at June 30, 1986 and the statement of revenue and expenditure and the schedules of program expenses and administration expenses for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the college as at June 30, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies as described in Note 1 to financial statements applied on a basis consistent with that of the preceding year.

Swift Current, Saskatchewan,  
January 12, 1987

Stark & Company  
Chartered Accountants

### Statement of Operating Fund Financial Position

As at June 30, 1986

	1986	1985
<b>Assets</b>		
Current Assets		
Cash .....	\$ 102,355	\$ 73,745
Accounts receivable — Note 2 .....	205,176	99,970
Prepaid expenses .....	3,984	634
Other .....	172	165
	<u>\$ 311,687</u>	<u>\$ 174,514</u>
<b>Liabilities and Surplus</b>		
Current Liabilities		
Accounts payable .....	\$ 117,650	\$ 34,280
Surplus .....	194,037	140,234
	<u>\$ 311,687</u>	<u>\$ 174,514</u>

### Statement of Capital Fund Financial Position

As at June 30, 1986

	1986	1985
<b>Assets</b>		
Fixed Assets — at cost		
Audio-visual equipment .....	\$ 54,175	\$ 52,973
Other instructional equipment .....	168,885	146,384
Office furniture and equipment .....	53,466	45,355
	<u>276,526</u>	<u>244,712</u>
Less accumulated depreciation — Note 1 .....	167,120	139,769
	<u>\$ 109,406</u>	<u>\$ 104,943</u>
<b>Equity in Capital Assets</b>		
Balance, Beginning of Year .....	\$ 104,943	\$ 72,068
Additions — From operating fund .....	31,814	59,111
	<u>136,757</u>	<u>131,179</u>
Less — Provision for depreciation — Note 1 .....	27,351	26,236
	<u>\$ 109,406</u>	<u>\$ 104,943</u>

## Cypress Hills Community College

### Summary Statement of Revenue and Expenditure

For the Year Ended June 30, 1986

	Un-sponsored Programs	Sponsored Programs	Total 1986	Total 1985
Revenue				
Provincial government .....	\$ 598,093	\$ 457,568	\$ 1,055,661	\$ 966,055
Tuition fees .....	144,205	5,819	150,024	176,116
Sundry .....	48,619	10,174	58,793	16,707
Administration fees .....	89,848	.....	89,848	74,885
	<u>880,765</u>	<u>473,561</u>	<u>1,354,326</u>	<u>1,233,763</u>
Expenses				
Program direct — Schedule 1 .....	189,283	425,572	614,855	539,764
Program support — Schedule 2 .....	372,170	24,597	396,767	359,000
Administration — Schedule 3 .....	275,124	694	275,818	258,482
	<u>836,577</u>	<u>450,863</u>	<u>1,287,440</u>	<u>1,157,246</u>
Excess of Revenue Over Expenses .....	44,188	22,698	66,886	76,517
Transfer to Capital Fund .....	9,116	22,698	31,814	59,111
Surplus for the year .....	<u>\$ 35,072</u>	<u>\$ .....</u>	<u>35,072</u>	<u>17,406</u>
Surplus, beginning of year .....			140,234	122,828
Prior period adjustments — Note 3 .....			18,731	.....
Surplus, end of year .....			<u>\$ 194,037</u>	<u>\$ 140,234</u>

### Notes to Financial Statements

June 30, 1986

#### 1. Significant Accounting Policy

(a) Depreciation is provided on a declining balance basis at a rate of 20% per year.

At June 30, 1986 the capital assets of the Community College were as follows:

	Cost	Accumulated depreciation	Book value
Computer equipment .....	\$ 42,710	\$ 19,704	\$ 23,006
Office furniture and equipment .....	54,210	34,784	19,426
Audio-visual aid equipment .....	54,175	44,723	9,452
Welding equipment .....	58,954	43,837	15,117
Cost-shared program furnishings .....	66,477	24,072	42,405
	<u>\$ 276,526</u>	<u>\$ 167,120</u>	<u>\$ 109,406</u>

(b) The operations of the Community College are treated on a 'stewardship' concept rather than concepts based on commercial profit motivation. Consequently operations are not charged with the computed depreciation on capital fund assets. Conversely, however, operating costs are charged with capital expenditure in excess of any grants received for those purposes.

This stewardship approach to reporting on college finances best displays the extent and effectiveness by which the trustees and officers have utilized the college's resources during any given review period. The statements therefore should be read in that light and not from the point of view normally used to assess a commercial business operation.

#### 2. Accounts Receivable

At June 30, 1986 the Community College had the following accounts receivable:

Grants	\$ 193,053
Other	12,123
	<u>\$ 205,176</u>

#### 3. Prior Period Adjustments

1985 salary accrual subsequently funded	\$ 18,199
Other recoveries relating to prior periods (net)	532
	<u>\$ 18,731</u>

## Cypress Hills Community College

### Schedule of Program Direct Expenses

For the Year Ended June 30, 1986

### Schedule 1

	Un-sponsored programs	Sponsored programs	Total 1986	Total 1985
Advertising .....	\$ 18,465	\$ 1,895	\$ 20,360	\$ 22,516
Employee benefits .....	1,128	12,819	13,947	9,991
Materials and supplies .....	6,048	44,520	50,568	45,308
Postage .....	125	1,819	1,944	1,681
Rentals .....	17,345	80,587	97,932	66,818
Salaries and wages .....	66,559	263,872	330,431	281,444
Telephone .....	77	3,551	3,628	1,400
Travel				
Instructors .....	15,200	7,467	22,667	21,949
Staff .....	.....	.....	.....	228
Sundry .....	769	400	1,169	530
Package programs .....	63,567	8,642	72,209	87,899
	<u>\$ 189,283</u>	<u>\$ 425,572</u>	<u>\$ 614,855</u>	<u>\$ 539,764</u>

### Schedule of Program Support Expenses

For the Year Ended June 30, 1986

### Schedule 2

	Un-sponsored programs	Sponsored programs	Total 1986	Total 1985
Employee benefits .....	\$ 20,920	\$ 327	\$ 21,247	\$ 22,055
Equipment repairs .....	1,013	.....	1,013	1,157
In-service training .....	2,337	160	2,497	1,213
Reference books .....	2,056	25	2,081	1,369
Office supplies and sundry .....	9,229	.....	9,229	10,007
Postage .....	5,842	.....	5,842	4,910
Rent .....	154	.....	154	2,018
Salaries and wages				
Staff .....	266,523	23,759	290,282	275,923
Telephone .....	22,218	.....	22,218	19,343
Travel				
Staff .....	23,435	326	23,761	18,440
Tuition for LCCC staff .....	3,097	.....	3,097	2,565
Research .....	15,346	.....	15,346	.....
	<u>\$ 372,170</u>	<u>\$ 24,597</u>	<u>\$ 396,767</u>	<u>\$ 359,000</u>

### Schedule of Administrative Expenses

For the Year Ended June 30, 1986

### Schedule 3

	Un-sponsored programs	Sponsored programs	Total 1986	Total 1985
Board Expenses				
Indemnity .....	\$ 16,658	\$ .....	\$ 16,658	\$ 12,519
Travel .....	5,911	.....	5,911	5,169
Memberships .....	3,089	.....	3,089	1,965
Computer services .....	2,400	.....	2,400	1,800
Dues and subscriptions .....	141	.....	141	660
Employee benefits .....	15,160	.....	15,160	13,027
Insurance .....	2,229	.....	2,229	1,853
Legal and audit .....	4,154	694	4,848	3,844
Office supplies and sundry .....	3,690	.....	3,690	2,314
Postage .....	84	.....	84	1,614
Office and equipment rentals .....	65,746	.....	65,746	53,172
Repairs and maintenance .....	1,687	.....	1,687	3,681
Salaries and wages .....	144,607	.....	144,607	144,236
Telephone .....	548	.....	548	6,449
Staff travel .....	9,020	.....	9,020	6,179
	<u>\$ 275,124</u>	<u>\$ 694</u>	<u>\$ 275,818</u>	<u>\$ 258,482</u>

## La Ronge Region Community College

### Auditor's Report

To the Board of

La Ronge Region Community College:

I have examined the balance sheet of the La Ronge Region Community College as at June 30, 1986 and the statements of revenue, expenditure and fund balance and of changes in fund balances for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the La Ronge Region Community College as at June 30, 1986 and the results of its operations and the changes in its fund balances for the year then ended in accordance with accounting policies described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

La Ronge, Saskatchewan,  
October 20, 1986

Elden Moline  
Chartered Accountant

### Statement of Revenue, Expenditure and Fund Balance

Year Ended June 30, 1986

	1986	1985
<b>Revenue</b>		
Operating grants (Note 3) .....	\$ 422,940	\$ 441,000
Interest on short-term investments .....	7,186	7,125
Rental income .....	50,938	56,269
Sundry income (Note 4) .....	123,159	42,523
Administrative charges and cost-shared support (Note 3) .....	117,445	110,887
	<u>721,668</u>	<u>657,804</u>
<b>Expenditure</b>		
Administration — Schedule 1 .....	600,319	568,734
Social demand courses — Schedule 1 .....	26,643	29,762
Contributions to capital fund — fixed assets .....	13,816	34,909
	<u>640,778</u>	<u>633,405</u>
Surplus for the Year .....	80,890	24,399
Fund Balance, Beginning of Year .....	78,403	53,145
Prior Year's Expense Recovery .....	—	859
Fund Balance, End of Year .....	<u>\$ 159,293</u>	<u>\$ 78,403</u>

The accompanying notes form an integral part of these financial statements.

## La Ronge Region Community College

### Program Fund

#### Statement of Revenue, Expenditure and Fund Balance

Year Ended June 30, 1986

	1986	1985
Revenue (Note 3) .....	\$ 1,162,846	\$ 915,936
Expenditure		
Program costs		
Advertising .....	3,624	3,930
Insurance .....	581	495
Janitorial .....	12,195	12,237
Materials, equipment and agency payments .....	161,865	168,751
Miscellaneous .....	2,828	2,345
Rental — classroom .....	90,422	84,254
— equipment .....	6,368	6,723
Repairs and setup .....	18,529	14,852
Salaries and employee benefits .....	767,729	555,731
Travel and field trips .....	73,329	32,056
Utilities and telephone .....	25,376	34,562
	1,162,846	915,936
Surplus .....	\$ .....	\$ .....
Fund Balance, End of Year .....	\$ .....	\$ .....

The accompanying notes form an integral part of these financial statements.

### Balance Sheet

June 30, 1986

	1986				1985
	Revenue Fund	Capital Fund	Program Fund	Total	Total
<b>Assets</b>					
Current Assets					
Cash .....	\$ 37,953	\$ .....	\$ 69,795	\$ 107,748	\$ 58,055
Accounts receivable (Note 3) .....	39,447	.....	131,423	170,870	163,591
Prepaid expenses .....	5,783	.....	.....	5,783	1,143
Interfund account .....	106,880	.....	(106,880)	.....	.....
	190,063	.....	94,338	284,401	222,789
Property and Equipment (Note 2) .....	.....	165,929	.....	165,929	163,872
	\$ 190,063	\$ 165,929	\$ 94,338	\$ 450,330	\$ 386,661
<b>Liabilities</b>					
Current Liabilities					
Bank indebtedness ...	\$ .....	\$ .....	\$ .....	\$ .....	\$ 18,661
Accountable advances .....	.....	.....	59,800	59,800	62,685
Payables and accruals .....	30,770	.....	29,896	60,666	58,829
Deferred revenue .....	.....	.....	4,642	4,642	4,211
	30,770	.....	94,338	125,108	144,386
<b>Fund Balance</b>					
Fund Balance .....	159,293	165,929	.....	325,222	242,275
	\$ 190,063	\$ 165,929	\$ 94,338	\$ 450,330	\$ 386,661



## La Ronge Region Community College

### Statement of Changes in Fund Balances

Year Ended June 30, 1986

	1986				1985
	Revenue Fund	Capital Fund	Program Fund	Total	Total
Fund Balance,					
Beginning of Year . . . . \$	78,403 \$	163,872 \$	..... \$	242,275 \$	201,517
Surplus for the Year . . . .	80,890	.....	.....	80,890	24,399
Prior Years Expense					
Recovery . . . . .	.....	.....	.....	.....	859
Depreciation . . . . .	.....	(30,169)	.....	(30,169)	(22,809)
Gain on Sale of Fixed Assets . . . . .	.....	18,410	.....	18,410	3,400
Contributions from Revenue Fund					
Fixed assets . . . . .	.....	13,816	.....	13,816	34,909
Fund Balance, End of Year . . . . . \$	159,293 \$	165,929 \$	..... \$	325,222 \$	242,275

The accompanying notes form an integral part of these financial statements.

### Notes to the Financial Statements

June 30, 1986

#### 1. Significant Accounting Policies

##### Fund Accounting

A fund is a separate self-balancing group of accounts provided for each accounting entity established within the accounting system, to segregate the transactions of a particular activity. These funds are:

##### a) Revenue Fund

The revenue fund contains the current revenue, expenditure, assets and liabilities pertaining to the general operations of the college. Included in revenue fund expenditures are transfers to the capital fund for purchase of capital assets.

##### b) Capital Fund

The capital fund contains the capital assets which are property and equipment and the equity in capital fund assets. Purchases of property and equipment are financed either by transfers from the revenue fund or from capital loans. Depreciation is calculated annually and decreases the net book value of the assets and the capital fund balance.

##### c) Program Fund

The program fund contains the current revenue and expenditure relating to the operation of specific program courses. As the expenditures of these program courses are fully recovered there is no surplus or deficit generated. Equipment purchased for approved programs is expensed in the program fund. These purchases are not capitalized or depreciated.

#### 2. Property and Equipment

	Useful Life	1986			1985
		Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Automotive Equipment.	3	\$ 49,234	\$ 33,787	\$ 15,447	\$ 9,801
Equipment . . . . .	5	121,751	92,181	29,570	25,880
Furniture/Fixtures . . . .	5	28,570	26,060	2,510	2,632
Library Books . . . . .	5	4,762	4,762	.....	.....
Trailers . . . . .	7	61,626	51,912	9,714	12,179
Building. . . . .	20	133,260	61,233	72,027	76,719
		399,203	269,935	129,268	127,211
Land. . . . .		36,661	.....	36,661	36,661
		\$ 435,864	\$ 269,935	\$ 165,929	\$ 163,872

Depreciation is calculated on the straight-line basis over the estimated useful life of the asset as shown above.

## La Ronge Region Community College

### Notes to Financial Statements — (Concluded)

3. Included in accounts receivable are amounts due from Saskatchewan Advanced Education and Manpower for program fund course recoveries and revenue fund administrative charges and cost-shared support. Included in Revenue and Program fund revenues are amounts received from Saskatchewan Advanced Education and Manpower for operating grants, course recoveries and administrative charges and cost-shared support.

#### 4. Sundry Income

	1986	1985
Other Funds — EDB course support .....	\$ 28,725	\$ .....
Student fees — unsponsored programs .....	7,508	14,653
Signing bonus .....	12,185	.....
Career Development Program recoveries .....	10,247	.....
Residence Supervisor recoveries .....	15,086	13,112
Sundry .....	49,408	14,758
	<u>\$ 123,159</u>	<u>\$ 42,523</u>

5. 1985 balances have been reclassified where necessary to conform with 1986 statement presentation.

### Schedule of Expenditures — Revenue Fund

Year Ended June 30, 1986

### Schedule 1

#### Administration Expenses

	1986	1985
Advertising .....	\$ 5,156	\$ 6,022
Automotive repairs and supplies .....	6,964	6,725
Bank charges and interest .....	2,934	877
Board expenses — indemnity .....	16,550	15,609
— travel .....	10,147	15,674
— association fees .....	2,780	3,411
Building repairs and maintenance .....	22,883	31,806
Community contracts .....	17,669	30,610
Employee benefits .....	41,871	33,153
Insurance .....	8,483	11,721
Machine rental and repair .....	13,497	13,209
Office supplies .....	16,083	15,973
Professional fees .....	8,433	13,236
Rent on buildings and property taxes .....	13,151	26,147
Salaries and wages .....	335,269	279,539
Staff training and development .....	2,566	3,612
Sundry .....	289	.....
Telephone and utilities .....	49,293	37,871
Travel .....	26,301	23,539
	<u>\$ 600,319</u>	<u>\$ 568,734</u>

#### Social Demand Course Costs

Community interest programs .....	\$ 26,643	\$ 29,141
Indian Band Project .....	.....	1,584
Social studies curriculum .....	.....	(963)
	<u>\$ 26,643</u>	<u>\$ 29,762</u>

## Mistikwa Community College

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

We have examined the balance sheets of Mistikwa Community College as at June 30, 1986, the statements of operations and accumulated surplus, changes in fund balances and equity in capital fund assets for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1986 and the results of its operations and changes in financial position for the year then ended in accordance with the accounting principles described in Note 1 applied on a basis consistent with that of the preceding year.

North Battleford, Saskatchewan,  
September 3, 1986.

Beggs, Downie, Meena, Johnson & Gress  
Chartered Accountants.

### Revenue Fund Balance Sheet

June 30, 1986

	1986	1985
<b>Assets</b>		
Current		
Cash .....	\$ .....	\$ 35,211
Accounts receivable .....	126,182	89,384
Prepaid expenses .....	3,207	8,167
	<u>\$ 129,389</u>	<u>\$ 132,762</u>
<b>Liabilities</b>		
Current		
Bank overdraft .....	\$ 23,455	\$ .....
Accounts payable and accrued liabilities .....	4,500	5,716
Prepaid tuitions .....	1,616	.....
Due to capital fund .....	29,474	28,832
	<u>59,045</u>	<u>34,548</u>
<b>Accumulated Surplus</b>		
Accumulated Surplus .....	70,344	98,214
	<u>\$ 129,389</u>	<u>\$ 132,762</u>

### Capital Fund Balance Sheet

June 30, 1986

	1986	1985
<b>Assets</b>		
Due from revenue fund .....	\$ 29,474	\$ 28,832
Equipment (Note 2) .....	130,884	114,908
	<u>\$ 160,358</u>	<u>\$ 143,740</u>
<b>Equity in Capital Fund Assets</b>		
Investment in capital assets .....	<u>\$ 160,358</u>	<u>\$ 143,740</u>

### Statement of Equity in Capital Assets

For the year ended June 30, 1986

Balance beginning of year .....	\$ 143,740	\$ 126,813
Loss on disposal of assets .....	(3,522)	(10,047)
Capital additions .....	20,140	26,974
	<u>\$ 160,358</u>	<u>\$ 143,740</u>

## Mistikwa Community College

### Statement of Operations and Accumulated Surplus

for the year ended June 30, 1986

	General Operating	Sponsored Program	1986 Total	1985 Total
Revenue				
Flat grants .....	\$ 496,932	\$ .....	\$ 496,932	\$ 517,848
Supplemental payments .....	10,912	.....	10,912	.....
Tuition fees .....	152,049	.....	152,049	154,035
Rentals .....	8,126	.....	8,126	10,110
Interest and dividends .....	6,770	.....	6,770	6,019
Sponsored programs				
Administration .....	84,600	.....	84,600	86,523
Program direct .....	.....	642,695	642,695	558,692
N.S.I.M. support .....	.....	62,850	62,850	66,373
Recovered from sponsored programs ..	16,487	.....	16,487	.....
Other .....	18,441	.....	18,441	11,824
	<u>794,317</u>	<u>705,545</u>	<u>1,499,862</u>	<u>1,411,424</u>
Expenditures				
Administration (Schedule 1) .....	233,289	.....	233,289	234,218
Program direct (Schedule 2) .....	184,493	.....	184,493	173,858
Program support (Schedule 3) .....	404,405	.....	404,405	337,693
Sponsored programs				
Program direct (Schedule 4) .....	.....	642,695	642,695	558,692
N.S.I.M. support (Schedule 5) .....	.....	62,850	62,850	66,373
	<u>822,187</u>	<u>705,545</u>	<u>1,527,732</u>	<u>1,370,834</u>
Surplus (Deficit) for the Year .....	\$ (27,870)	\$ .....	(27,870)	40,590
Accumulated Surplus at Beginning of Year .....			98,214	57,624
Surplus at End of Year .....			<u>\$ 70,344</u>	<u>\$ 98,214</u>

### Statement of Changes in Fund Balances

For the Year Ended June 30, 1986

	Revenue Fund		Capital Fund	
	1986	1985	1986	1985
Source of Funds				
Current fund revenues .....	\$ 1,499,862	\$ 1,411,424	\$ .....	\$ .....
Transfer from revenue fund .....	.....	.....	20,140	26,974
Proceeds from disposal of equipment ..	.....	.....	642	6,449
	<u>1,499,862</u>	<u>1,411,424</u>	<u>20,782</u>	<u>33,423</u>
Application of Funds				
Current fund expenditures .....	1,527,732	1,370,834	.....	.....
Equipment additions .....	.....	.....	20,140	26,974
	<u>1,527,732</u>	<u>1,370,834</u>	<u>20,140</u>	<u>26,974</u>
Increase in Funds .....	(27,870)	40,590	642	6,449
Funds at Beginning of Year .....	98,214	57,624	28,832	22,383
Funds at End of Year .....	<u>\$ 70,344</u>	<u>\$ 98,214</u>	<u>\$ 29,474</u>	<u>\$ 28,832</u>
Summary of Funds				
Current assets .....	\$ 129,389	\$ 132,762	\$ 29,474	\$ 28,832
Deduct current liabilities .....	59,045	34,548	.....	.....
Funds at End of Year .....	<u>\$ 70,344</u>	<u>\$ 98,214</u>	<u>\$ 29,474</u>	<u>\$ 28,832</u>

## Mistikwa Community College

### Notes to Financial Statements

June 30, 1986

#### 1. Summary of Significant Accounting Policies

The college has adopted the fund accounting method to record the results of operations and the acquisition and financing of fixed assets. Significant aspects of this method are as follows:

##### a) Fixed Assets

Fixed Assets are recorded in the capital fund at cost, with no provision for depreciation. The revenue fund expenditures are charged with capital expenditures in excess of any grants received for that purpose.

##### b) Inter-Fund Advances

Throughout the year advances are made between funds. These advances have no repayment terms nor provision for interest.

##### c) Compensated Absences

The cost of employee vacation entitlements and earned days off are recorded as an expense in the year that they are paid to the employee.

#### 2. Fixed Assets

	1986	1985
Office furniture and equipment .....	\$ 42,507	\$ 36,372
Instructional equipment .....	88,377	78,536
	<u>\$ 130,884</u>	<u>\$ 114,908</u>

#### 3. Contingent Liability

At June 30, 1986, the College was involved in a grievance procedure with its union which had gone to arbitration. Subsequently, the arbitration board ruled that the College must pay \$21,409 to one of its employees. This amount was paid in the 1986/87 fiscal year. It is anticipated that this amount will be recovered by the College from the Province of Saskatchewan in the 1986/87 fiscal year.



# Mistikwa Community College

## Schedule of Expenditures for the year ended June 30, 1986

## Schedule 1

	1986	1985
<b>Administration</b>		
Board expenses		
Travel .....	\$ 6,258	\$ 5,523
Honoraria .....	12,690	10,490
Memberships .....	3,529	3,237
Other .....	2,595	699
	<u>25,072</u>	<u>19,949</u>
Unallocated costs		
Reference books and manuals .....	453	421
In-service training .....	1,356	1,034
Other .....	.....	75
	<u>1,809</u>	<u>1,530</u>
Office expenses		
Bank charges and interest .....	240	2,333
Dues and subscriptions .....	421	418
Insurance .....	2,603	1,949
Postage .....	915	1,735
Supplies and stationery .....	2,376	1,904
Telephone .....	4,633	3,579
Cartage .....	460	113
	<u>11,648</u>	<u>12,031</u>
Professional services		
Audit .....	4,642	5,531
Legal .....	3,799	150
Computer .....	616	8,694
	<u>9,057</u>	<u>14,375</u>
Rentals		
Building .....	46,230	38,730
Office equipment .....	4,894	5,504
Automobile .....	1,350	1,130
	<u>52,474</u>	<u>45,364</u>
Repairs and maintenance		
Building .....	7,347	6,498
Office equipment .....	3,490	3,179
	<u>10,837</u>	<u>9,677</u>
Salaries and employee benefits		
Administration officers .....	76,957	61,765
Clerical .....	24,964	53,018
Employee benefits .....	6,793	11,938
	<u>108,714</u>	<u>126,721</u>
Other administration expenses		
Travel .....	5,115	4,571
Capital expenditures .....	8,544	.....
Other .....	19	.....
	<u>13,678</u>	<u>4,571</u>
Total administration expenses .....	<u>\$ 233,289</u>	<u>\$ 234,218</u>

## Mistikwa Community College

### Schedule of Expenditures for the year ended June 30, 1986

### Schedule 2

	1986	1985
<b>Program direct</b>		
Course cost		
Advertising .....	\$ 2,556	\$ 10,758
Agency payments .....	62,454	43,123
Instructional supplies .....	13,186	6,511
Other course costs .....	570	935
	<u>78,766</u>	<u>61,327</u>
Rentals		
Facility .....	20,684	20,266
Educational equipment .....	4,557	3,778
	<u>25,241</u>	<u>24,044</u>
Repairs and maintenance		
Facility .....	92	.....
Instructional equipment .....	.....	876
	<u>92</u>	<u>876</u>
Salaries and employee benefits		
Instructional .....	66,186	66,073
Janitorial .....	1,117	1,625
Employee benefits .....	577	991
	<u>67,880</u>	<u>68,689</u>
Other program direct expenses		
Travel and conference .....	10,610	11,440
Fee refunds .....	.....	6,807
Supplies for resale .....	1,883	675
Other .....	21	.....
	<u>12,514</u>	<u>18,922</u>
Total Program Direct Expenses .....	<u>\$ 184,493</u>	<u>\$ 173,858</u>

# Mistikwa Community College

## Schedule of Expenditures for the year ended June 30, 1986

## Schedule 3

	1986	1985
<b>Program support</b>		
Course costs		
Advertising and public relations .....	\$ 9,646	\$ 1,454
Agency payments .....	44,222	41,325
Reference and library books .....	500	2,698
Instructional supplies .....	1,650	5,066
	<u>56,018</u>	<u>50,543</u>
Office expenses		
Dues and subscriptions .....	460	282
Insurance .....	.....	434
Postage .....	6,772	5,830
Supplies and stationery .....	5,788	5,855
Telephone .....	17,512	15,066
Cartage .....	.....	33
	<u>30,532</u>	<u>27,500</u>
Rentals		
Building .....	7,365	6,180
Office equipment .....	2,258	.....
Automobile .....	6,790	4,901
Educational equipment .....	3,290	.....
Other rentals .....	170	187
	<u>19,873</u>	<u>11,268</u>
Repairs and maintenance		
Building .....	1,088	1,568
Office equipment .....	764	56
Vehicles .....	1,811	969
Educational equipment .....	414	.....
	<u>4,077</u>	<u>2,593</u>
Salaries and employee benefits		
Support staff .....	142,826	128,838
Clerical .....	103,251	60,659
Employee benefits .....	23,576	18,732
	<u>269,653</u>	<u>208,229</u>
Other program support expenses		
Travel and conference .....	8,949	7,385
In-service training .....	1,947	2,679
Capital expenditures .....	11,596	26,974
Other .....	1,760	522
	<u>24,252</u>	<u>37,560</u>
<b>Total Program Support Expenses .....</b>	<u><u>\$ 404,405</u></u>	<u><u>\$ 337,693</u></u>

## Mistikwa Community College

### Schedule of Expenditures

For the Year Ended June 30, 1986

### Schedule 4

	A.B.E.	S.S.E.P.	1986 Total	1985 Total
<b>Sponsored Program Direct</b>				
Course costs				
Advertising .....	\$ 393	\$ 1,106	\$ 1,499	\$ 897
Instructional supplies .....	36,753	18,921	55,674	65,553
	<u>37,146</u>	<u>20,027</u>	<u>57,173</u>	<u>66,450</u>
Rentals				
Facility .....	70,786	27,838	98,624	74,640
Educational equipment .....	450	200	650	6,453
	<u>71,236</u>	<u>28,038</u>	<u>99,274</u>	<u>81,093</u>
Salaries and employee benefits				
Instructional .....	435,490	16,557	452,047	386,107
Janitorial .....	.....	.....	.....	131
Employee benefits .....	18,448	564	19,012	17,609
	<u>453,938</u>	<u>17,121</u>	<u>471,059</u>	<u>403,847</u>
Other program direct expenses				
In-service training .....	240	.....	240	.....
Travel and conference .....	7,027	123	7,150	7,302
Agency payments .....	.....	4,836	4,836	.....
Telephone .....	2,172	791	2,963	.....
	<u>9,439</u>	<u>5,750</u>	<u>15,189</u>	<u>7,302</u>
<b>Total Sponsored Program Direct</b>				
Expenses .....	<u>\$ 571,759</u>	<u>\$ 70,936</u>	<u>\$ 642,695</u>	<u>\$ 558,692</u>

### Schedule of Expenditures

for the year ended June 30, 1986

### Schedule 5

	1986	1985
<b>N.S.I.M. Support</b>		
Office expenses .....	\$ 4,400	\$ 5,191
Salaries and employee benefits		
Support staff .....	42,996	44,186
Employee benefits .....	4,139	4,988
	<u>47,135</u>	<u>49,174</u>
Other program support expenses		
Travel and conference .....	9,491	9,587
In-service training .....	35	485
C.N.A.C. meetings .....	1,789	1,936
	<u>11,315</u>	<u>12,008</u>
<b>Total N.S.I.M. Support Expenses</b> .....	<u>\$ 62,850</u>	<u>\$ 66,373</u>

## North East Community College

### Auditor's Report

To the Board of  
North East Community College:

We have examined the balance sheet of the North East Community College as at June 30, 1986 and the statements of revenue and expenditures and of fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with accounting policies described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Prince Albert, Saskatchewan,  
September 3, 1986.

Deloitte, Haskins & Sells  
Auditors

### Statement of Revenue and Expenditures — Revenue Fund

Year Ended June 30, 1986

	1986	1985
Revenue		
Operating grants .....	\$ 308,303	\$ 313,860
Community support grants .....	100,290	85,722
Interest on short-term investments .....	267	3,667
Rental income .....	14,027	9,105
Resale items .....	284	8,038
Tuition fees — unsponsored program .....	7,676	14,178
Other (Note 6) .....	16,505	31,303
	<u>447,352</u>	<u>465,873</u>
Expenditures		
Administration — Schedule 1 .....	465,487	412,862
Social demand courses		
Agency payments .....	9,129	7,576
Social demand .....	8,083	11,458
Un-sponsored program expense .....	13,959	.....
Contributions to capital fund		
Property and equipment .....	6,923	56,542
Repayment of mortgage payable .....	7,325	5,885
Repayment of loan payable .....	5,358	.....
	<u>516,264</u>	<u>494,323</u>
Excess of Expenditures over Revenue .....	<u>\$ 68,912</u>	<u>\$ 28,450</u>



## North East Community College

### Statement of Revenue and Expenditures — Program Fund

Year Ended June 30, 1986

	1986	1985
Revenue, Grants .....	\$ 934,879	\$ 651,187
Expenditures		
Administration fees .....	16,519	.....
Advertising .....	8,838	7,462
Agency payments .....	6,643	44,018
Building rental .....	60,319	26,251
Capital expenditures .....	5,005	8,703
Dues and subscriptions .....	180	1,348
Employee benefits .....	20,133	12,081
Equipment rental .....	28,411	11,647
Field trips .....	3,082	2,519
Insurance, licenses and taxes .....	2,873	3,260
Instructional materials and supplies .....	68,811	102,743
Repairs and maintenance .....	15,195	32,337
Salaries .....	527,986	344,961
Sub-contract .....	10,000	.....
Sundry .....	3,980	.....
Telecommunications .....	15,168	9,494
Trainee travel and accommodation .....	17,019	6,993
Training allowance .....	52,833	.....
Travel and conferences .....	53,119	20,994
Utilities .....	18,765	16,376
	934,879	651,187
Excess of Revenue over Expenditures .....	\$ .....	\$ .....

### Statement of Fund Balances

Year Ended June 30, 1986

	1986	1985
<b>Revenue Fund</b>		
Unappropriated Fund Balance		
Fund Balance, Beginning of Year .....	\$ 81,931	\$ 60,381
Excess of Expenditures over Revenue .....	(68,912)	(28,450)
Transfer from Appropriated Fund Balance .....	.....	50,000
Fund Balance, End of Year .....	\$ 13,019	\$ 81,931
Appropriated Fund Balance		
Fund Balance, Beginning of Year .....	\$ .....	\$ 50,000
Transfer to Unappropriated Fund Balance .....	.....	50,000
Fund Balance, End of Year .....	\$ .....	\$ .....
<b>Capital Fund</b>		
Fund Balance, Beginning of Year .....	\$ 60,838	\$ 24,134
Contributions from Revenue Fund .....	6,923	56,542
Capital loan payments .....	12,683	5,885
	80,444	86,561
Depreciation on Property and Equipment .....	21,892	25,723
Book value of equipment sold .....	48	.....
	21,940	25,723
Fund Balance, End of Year .....	\$ 58,504	\$ 60,838

## North East Community College

### Balance Sheet

June 30, 1986

	1986			1985
	Revenue Fund	Capital Fund	Total	Total
<b>Assets</b>				
<b>Current Assets</b>				
Cash .....	\$ 580	\$ .....	\$ 580	\$ 11,455
Accounts receivable .....	234,288	.....	234,288	102,231
Prepaid expenses .....	3,777	.....	3,777	80
	238,645	.....	238,645	113,766
Property and Equipment (Note 2) .....	.....	123,469	123,469	138,486
	<u>\$ 238,645</u>	<u>\$ 123,469</u>	<u>\$ 362,114</u>	<u>\$ 252,252</u>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Bank indebtedness (Note 3) .....	\$ 111,936	\$ .....	\$ 111,936	.....
Accounts payable and accrued liabilities .....	62,790	.....	62,790	31,530
Deposits .....	700	.....	700	305
Accountable advances .....	50,200	.....	50,200	.....
Current portion of long-term debt .....	.....	13,930	13,930	30,091
	225,626	13,930	239,556	61,926
Due to Department of Advanced Education and Manpower (Note 4) .....	.....	26,784	26,784	15,000
Mortgage Payable (Note 5) .....	.....	24,251	24,251	32,557
	<u>225,626</u>	<u>64,965</u>	<u>290,591</u>	<u>109,483</u>
<b>Fund Balance</b>				
Unappropriated Fund .....	13,019	58,504	71,523	142,769
	<u>\$ 238,645</u>	<u>\$ 123,469</u>	<u>\$ 362,114</u>	<u>\$ 252,252</u>

### Notes to the Financial Statements

June 30, 1986

#### 1. Significant Accounting Policies

The significant accounting policies used by the college are:

##### Fund Accounting

A fund is a separate self-balancing group of accounts provided for each accounting entity established within the accounting system to segregate the transactions of a particular activity. These funds are:

##### a) Revenue Fund

The revenue fund contains the current revenue, expenditures, assets and liabilities pertaining to the general operations of the college. Included in revenue fund expenditures are transfers to the capital fund for purchase of capital assets and principal repayments on capital loans.

##### b) Capital Fund

The capital fund contains the property and equipment, the capital loans payable and the equity in capital fund assets.

##### c) Program Fund

The program fund contains the current revenue and expenditures relating to the operation of specific program courses. As the expenditures of these program courses are fully recovered there is no surplus or deficit.

##### Property and Equipment — Capital Fund

The building has been purchased with mortgage funds and funds from the Department of Advanced Education and Manpower. The repayment of the capital debt and the purchase of equipment is expensed in the revenue fund. Building and equipment are recorded at cost in the capital fund and are depreciated on the straight-line basis.

## North East Community College

### Notes to Financial Statements — (Concluded)

#### 2. Property and Equipment

	Cost	Accumulated Depreciation	Net Book Value	Depreciation Rates
Building .....	\$ 119,725	\$ 16,723	\$ 103,002	20 years
Equipment .....	14,521	9,420	5,101	5 years
Furniture and Equipment .....	16,773	11,057	5,716	5 years
Automotive .....	44,443	34,793	9,650	3 years
	<u>\$ 195,462</u>	<u>\$ 71,993</u>	<u>\$ 123,469</u>	

#### 3. Bank Indebtedness

The bank indebtedness of the Revenue Fund consists of:

	1986	1985
Demand loans, prime plus 2% .....	\$ 75,000	\$ .....
Cheques issued in excess of bank balance .....	36,936	.....
	<u>\$ 111,936</u>	<u>\$ .....</u>

This indebtedness is not specifically secured.

#### 4. Due to Department of Advanced Education and Manpower

The amount advanced by the Department of Advanced Education and Manpower is repayable in annual principal payments of \$5,358. No interest is payable on this debt and the debt is secured by a lodgement of title to the land on which the building is located.

	1986	1985
	\$ 32,142	\$ 37,500
Less amount due within one year .....	5,358	22,500
	<u>\$ 26,784</u>	<u>\$ 15,000</u>

Principal amounts due in each of the next five years are as follows:

1987	\$ 5,358
1988	\$ 5,358
1989	\$ 5,358
1990	\$ 5,358
1991	\$ 5,358

#### 5. Mortgage Payable

	1986	1985
Mortgage payable, prime plus 2%, repayable in monthly instalments of \$1,000 blended principal and interest, secured by a mortgage on a building and assignment of accounts receivable .....	\$ 32,823	\$ 40,148
Less amount due within one year .....	8,572	7,591
	<u>\$ 24,251</u>	<u>\$ 32,557</u>

Principal amounts due in each of the next four years are as follows:

1987	\$ 8,572
1988	\$ 9,684
1989	\$10,939
1990	\$ 3,628
	<u>\$32,823</u>

#### 6. Other Revenue

	1986	1985
Gain on disposal of assets .....	\$ 172	\$ 12,893
Project grants .....	11,260	8,940
Other Revenue .....	5,073	9,470
	<u>\$ 16,505</u>	<u>\$ 31,303</u>

## North East Community College

### Schedule of Administrative Expenditures

Year Ended June 30, 1986

	1986	1985
Administrative Expenditures		
Advertising .....	\$ 7,461	\$ 8,417
Bank charges and interest .....	6,932	4,921
Board expenses — indemnity .....	17,400	19,205
— travel .....	12,369	18,336
— other .....	38	618
Conferences and travel .....	19,451	24,021
Dues and subscriptions .....	2,252	2,965
Employee benefits .....	32,551	24,573
Freight .....	609	934
Insurance .....	2,687	1,840
Miscellaneous expense .....	3,642	1,330
Office .....	3,668	2,887
Professional services .....	5,886	18,010
Property taxes .....	1,553	1,596
Rental expense .....	18,137	13,870
Repairs and maintenance .....	4,102	4,540
Salaries .....	299,021	236,590
Staff housing .....	.....	76
Staff training and development .....	340	2,245
Supplies and stationery .....	3,302	5,355
Telephone .....	15,228	15,365
Utilities .....	5,945	1,596
Vehicle expense .....	2,913	3,572
	<u>\$ 465,487</u>	<u>\$ 412,862</u>

## Parkland Community College

### Auditor's Report

The Members of the Board,  
Parkland Community College,  
Melville, Saskatchewan.

We have examined the operating fund balance sheet and the capital fund balance sheet of the Parkland Community College as at June 30, 1986 and the statements of capital financing and revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Parkland Community College as at June 30, 1986 and the results of its operations and capital financing for the year then ended in accordance with the accounting principles set out in the notes to the financial statements applied on a basis consistent with that of the preceding year.

Melville, Saskatchewan,  
September 16, 1986.

Skilnick & Partners  
Chartered Accountants

### Operating Fund Balance Sheet

As at June 30, 1986.

### Statement 1

	1986	1985
<b>Assets</b>		
Current Assets		
Cash on hand and in banks	\$ 410	\$ 276
Term deposits	56,149	50,000
Advance to Yorkton Regional High School — (Note 2)	48,218	51,914
Accounts receivable — (Note 3)		
— Cost shared program grants	133,619	231,492
— General and other	5,087	7,199
Prepaid expense	924	4,099
	244,407	344,980
Long Term Investments		
Credit Union shares — at cost	15	15
	<u>\$ 244,422</u>	<u>\$ 344,995</u>
<b>Liabilities, Reserves and Surplus</b>		
Current Liabilities		
Bank overdraft — current account — (Note 3)	\$ 12,137	\$ 32,456
General accounts payable	101,251	128,859
Unearned tuition fees	450	.....
	113,838	161,315
Operating Surplus Account — (Notes 1, 2, 4 & 5)		
Balance, June 30	183,680	235,625
(Deficit) Surplus for the year	(53,096)	(51,945)
Balance, June 30	130,584	183,680
	<u>\$ 244,422</u>	<u>\$ 344,995</u>

See accompanying notes



## Parkland Community College

### Capital Fund Balance Sheet

As at June 30, 1986

### Statement 2

	1986	1985
<b>Assets</b>		
Fixed Assets — at cost		
Audio visual equipment .....	\$ 37,002	\$ 37,002
Other instructional equipment .....	29,694	29,694
Office furniture and equipment .....	64,319	33,578
Automobiles .....	43,987	43,987
Leasehold improvements .....	90,557	76,855
	<u>265,559</u>	<u>221,116</u>
Less:		
Accumulated depreciation — Schedule 5 .....	113,521	98,098
Accumulated amortization — Schedule 5 .....	57,128	48,771
	<u>170,649</u>	<u>146,869</u>
	<u>\$ 94,910</u>	<u>\$ 74,247</u>
Other Asset		
Deposit on leasehold improvement .....		5,000
	<u>94,910</u>	<u>79,247</u>
<b>Investment — In Capital Assets</b>		
Balance, June 30 .....	\$ 79,247	\$ 80,018
Add: Contributions		
Flat Grant Program Direct — Schedule 1 .....	8,702	13,029
Flat Grant Program Support — Schedule 2 .....	6,950	.....
Administration — Schedule 4 .....	23,791	7,129
	<u>39,443</u>	<u>20,158</u>
Less: Depreciation — Schedule 5 .....	15,423	13,908
Amortization — Schedule 5 .....	8,357	7,021
	<u>23,780</u>	<u>20,929</u>
Balance, June 30 — (Note 1) .....	<u>\$ 94,910</u>	<u>\$ 79,247</u>
See accompanying notes		

### Statement of Capital Financing

For the Year Ended June 30, 1986.

### Statement 3

	1986	1985
<b>Sources of Capital Funds</b>		
Deposit on leasehold improvement .....	\$ 5,000	\$ .....
Contributions from revenue		
Flat Grant Program Direct — Schedule 1 .....	8,702	13,029
Flat Grant Program Support — Schedule 2 .....	6,950	.....
Administration — Schedule 4 .....	23,791	7,129
	<u>39,443</u>	<u>20,158</u>
	<u>44,443</u>	<u>20,158</u>
<b>Application of Capital Funds</b>		
Expended on fixed assets — Schedule 5		
Other instructional equipment .....	.....	8,029
Office furniture and equipment .....	30,741	7,129
Leasehold improvements .....	13,702	.....
Other (Note 5)		
Deposit on leasehold improvement .....	.....	5,000
	<u>44,443</u>	<u>20,158</u>
Unapplied Current Year Capital Funds .....	<u>\$ .....</u>	<u>\$ .....</u>
See accompanying notes		

## Parkland Community College

### Operating Fund

#### Statement of Revenue and Expenditure

For the Year Ended June 30, 1986

#### Statement 4

	1986	1985
Revenue		
Grants		
Department of Continuing Education		
Operating .....	\$ 622,296	\$ 655,620
Cost shared programs .....	644,048	607,154
Yorkton Regional High School — (Note 2) .....	587,712	676,316
Field staff and other .....	8,932	9,439
	<u>1,862,988</u>	<u>1,948,529</u>
Tuition Fees		
Community College programs .....	81,021	90,106
Yorkton Regional High School .....	23,438	29,962
University .....	74,616	65,193
	<u>179,075</u>	<u>185,261</u>
Other		
Interest .....	12,015	11,174
Recoveries and other .....	29,470	12,355
Excise tax — rebate .....	476	426
Rentals .....	13,250	2,467
	<u>55,211</u>	<u>26,422</u>
	<u>2,097,274</u>	<u>2,160,212</u>
Yorkton Regional High School		
Program (deficit) surplus — (Note 2) .....	(3,696)	(103,071)
	<u>2,093,578</u>	<u>2,057,141</u>
Expenditure		
Flat Grant		
Program direct — Schedule 1 .....	326,997	335,357
Program support — Schedule 2 .....	476,469	424,233
Cost shared — Schedule 3 .....	1,231,760	1,283,470
Administration — Schedule 4 .....	111,448	66,026
	<u>2,146,674</u>	<u>2,109,086</u>
(Deficit) Surplus for the Year .....	\$ (53,096)	\$ (51,945)
See accompanying notes		

### Notes to Financial Statements

June 30, 1986.

#### 1. Accounting Policies

The College utilizes fund accounting and revenue and expenditure classifications as prescribed by the Department of Advanced Education and Manpower, Province of Saskatchewan. Utilization of fund accounting results in fixed asset and leasehold improvement additions being charged to current expenditures as contributions to the Capital Fund. Depreciation of fixed assets and amortization of leasehold improvements are charged against the investment in capital assets account using the diminishing balance method at the following rates:

Audio Visual Equipment	20%
Other Instructional Equipment	20%
Office Furniture and Equipment	20%
Automobiles	30%
Leasehold Improvements	20%

The College does not capitalize minor fixed assets and leasehold improvement acquisitions costing less than \$200.

Computer equipment acquired June 30, 1986 at a cost of \$6,421 included in office and equipment additions of \$30,741 have not been depreciated.

## Parkland Community College

### Notes to Financial Statements — (Concluded)

#### 2. Adult Education Agreement

The College and Yorkton Regional High School are parties to an agreement covering the provision of adult education classes through the facilities of the school. Terms of the agreement provide that course program and administration is the responsibility of the school. Financial responsibility for the program offered is provided by the College supported by funding from the Department of Advanced Education and Manpower. Under terms of the agreement deficits are the responsibility of the College.

Summarized results of operations for the current and prior year are set out below:

	1986	1985
Grants earned from Department of Advanced Education and Manpower	587,712	676,316
Less: Net expenditures by Yorkton Regional High School .....	591,408	779,387
(Deficit) Surplus for the year — Statement 4 .....	(3,696)	(103,071)

#### 3. Line of Credit Agreement

The College has an established line of credit up to \$100,000 with the Royal Bank of Canada, Melville, Saskatchewan. Security for advances under the agreement consists of an assignment of grant proceeds due from the Department of Advanced Education and Manpower.

#### 4. Lease Agreements

The College is obligated under the following lease agreements.

##### Instructional Facilities:

- Central School, Fort Qu'Appelle, Saskatchewan, under a ten year lease expiring May 31, 1988.
- Burke School, Yorkton, Saskatchewan, under a five year lease expiring December 31, 1987.

The above agreements cover use of school buildings and grounds with annual rental at \$1. for each school. Terms provide for the College to pay annual operating costs and to be responsible for minor renovations. Each of the agreements contains an option to renew at the end of the initial lease term.

##### Offices:

- Administration office in the Professional Building on Main Street in Melville, Saskatchewan, under a two year lease expiring May 31, 1987. Terms of the lease provide for monthly rental of \$1,349.
- Branch office, Kamsack, Saskatchewan, located in Kamsack Administration Building, without a formal lease. The facilities are presently rented at \$204. per month.
- Branch office, Esterhazy, Saskatchewan, without a formal lease at a present monthly rental of \$220.
- Branch office, Canora, Saskatchewan, located in the Canora Mall under a three year lease expiring January 31, 1987. Terms of the lease provide for monthly rental of \$215.
- Branch office, Ituna, Saskatchewan, without a formal lease at a present monthly rental of \$105.
- Branch Office, Invermay, Saskatchewan, without a formal lease for monthly rental of \$85.
- Branch Office, Neudorf, Saskatchewan, without a formal lease for monthly rental of \$50.
- Branch Office, Sturgis, Saskatchewan, without a formal lease for annual rental of \$360.

##### Equipment:

- Xerox Canada covering a photocopier leased until July 1, 1989. Terms of the lease call for rental payments of \$2,052. each three months.
- Xerox Canada covering a photocopier leased until November 1988. Terms of the lease call for quarterly payments of 548.
- Xerox Canada covering a typewriter leased until November 1988. Terms of the lease call for quarterly payments of 236.
- Educom — covering micro choices computer programs under a three year lease. Terms of the lease call the first annual payment of \$1,318. on October 1, 1984. The second and third payments each for \$935. fall due October 1, 1985 and October 1, 1986.

#### 5. Other Obligations

Prior to June 30, 1985 the College entered into a commitment with the Town of Fort Qu'Appelle for the replacement of windows at Central School. The cost of the project is \$37,404. with each party contributing \$18,702.

The College has advanced \$13,702 towards the cost of the improvement with the project to be completed in the 1986-87 fiscal year. The College share is to be funded \$5,000. in 1984-85; \$8,702 in 1985-86 with the balance due in 1986-87.

## Parkland Community College

### Schedule of Flat Grant Program — Direct Expenditure

For the Year Ended June 30, 1986

### Schedule 1

	1986	1985
Personal Services		
Instructors fees .....	\$ 45,103	\$ 80,062
Employee benefits .....	1,657	1,810
	<u>46,760</u>	<u>81,872</u>
Travel .....	16,939	21,253
Contractual Services		
Agency payments .....	143,622	110,409
Rent of facilities .....	27,556	19,528
Advertising .....	27,219	27,726
Training program .....	877	2,077
Repairs and rent of educational equipment .....	1,630	966
Freight .....	493	433
Learning Centres .....	18,315	15,417
Personnel enrichment .....	30,208	41,182
	<u>249,920</u>	<u>217,738</u>
Materials and Supplies		
Instructional supplies .....	4,676	1,465
Contribution to Capital Fund		
Other instructional equipment .....	.....	8,029
Deposit on leasehold improvement .....	.....	5,000
Leasehold improvement .....	8,702	.....
Total contribution — Statements 2 and 3 .....	8,702	13,029
Total Expenditure — Statement 4 .....	<u>\$ 326,997</u>	<u>\$ 335,357</u>

### Schedule of Flat Grant Program — Support Expenditure

For the Year Ended June 30, 1986

### Schedule 2

	1986	1985
Personal Services		
Salaries .....	\$ 340,102	\$ 311,211
Employee benefits .....	33,649	27,079
	<u>373,751</u>	<u>338,290</u>
Travel and Vehicle Repairs .....	28,909	25,673
Contractual Services		
Rent of facilities .....	13,368	13,296
Training program .....	3,465	2,154
Postage .....	6,876	7,357
Telephone .....	24,833	23,748
Other .....	8,440	431
	<u>56,982</u>	<u>46,986</u>
Material and Supplies		
Stationery and supplies .....	9,877	13,284
Contribution to Capital Fund		
Office equipment and furniture .....	6,950	.....
Total contributions — Statements 2 and 3 .....	6,950	.....
Total Expenditure — Statement 4 .....	<u>\$ 476,469</u>	<u>\$ 424,233</u>

## Parkland Community College

### Schedule of Cost Shared Program Expenditure

For the Year Ended June 30, 1986

	Schedule 3	
	1986	1985
Personal Services		
Instructors fees	\$ 361,824	\$ 285,503
Employee benefits	15,177	13,925
	<u>377,001</u>	<u>299,428</u>
Travel	18,596	24,608
Contractual Services		
Packaged programs — (Note 2)	587,712	676,316
Rent of classroom facilities	41,765	36,799
Instructional supplies	33,662	61,416
Rent of educational equipment	3,802	.....
Advertising	5,524	887
Repairs of educational equipment	.....	154
Utilities	4,924	6,378
Postage, telephone and sundry	5,492	7,252
	<u>682,881</u>	<u>789,202</u>
Allocation of Administration Expense		
Schedule 4	153,282	170,232
Total Expenditure — Statement 4	<u>\$ 1,231,760</u>	<u>\$ 1,283,470</u>

### Schedule of Administration Expenditure

For the Year Ended June 30, 1986.

	Schedule 4	
	1986	1985
Personal Services		
Salaries	\$ 120,264	\$ 115,982
Indemnity to board members	14,095	11,415
Employee benefits	14,643	13,097
Community College Association dues	2,412	2,910
Janitor	2,643	2,640
	<u>154,057</u>	<u>146,044</u>
Travel		
Employees	4,712	3,883
Board members	9,371	10,655
Auto repairs, licenses and insurance	1,584	810
	<u>15,667</u>	<u>15,348</u>
Contractual Services		
Audit and legal fees	5,725	5,500
Training program	300	1,225
Office rent	16,764	15,836
Office equipment rentals	12,024	13,175
Insurance	3,245	3,010
Minor office equipment, subscriptions and other	4,993	5,640
Postage	2,369	2,452
Telephone	8,245	7,916
Repairs and maintenance	6,374	3,923
Utilities	3,780	3,807
Bank charges and interest	1,483	825
Computer software services	2,500	.....
	<u>67,802</u>	<u>63,309</u>
Materials and Supplies		
Stationery and supplies	3,413	4,428
Contribution to Capital Fund		
Office furniture and equipment	23,791	7,129
Total contributions — Statements 2 and 3	<u>23,791</u>	<u>7,129</u>
Total Administration Expenditure	264,730	236,258
Less: Allocation to cost shared program — Schedule 3	153,282	170,232
Total Expenditure — Statement 4	<u>\$ 111,448</u>	<u>\$ 66,026</u>



## Parkland Community College

### Schedule of Fixed Assets and Depreciations

For the Year Ended June 30, 1986.

### Schedule 5

	Cost	Depreciation	Book Value
Audio Visual Equipment			
Balance, June 30, 1985 .....	\$ 37,002	\$ 30,818	\$ 6,184
Current depreciation — 20% .....	.....	1,237	1,237
Balance, June 30, 1986 .....	37,002	32,055	4,947
Other Instructional Equipment			
Balance, June 30, 1985 .....	29,694	13,685	16,009
Current depreciation — 20% .....	.....	3,202	3,202
Balance, June 30, 1986 .....	29,694	16,887	12,807
Office Equipment and Furniture			
Balance, June 30, 1985 .....	33,578	22,859	10,719
Current additions .....	30,741	.....	30,741
	64,319	22,859	41,460
Current depreciation — 20% (Note 1) .....	.....	7,008	7,008
Balance, June 30, 1986 .....	64,319	29,867	34,452
Automobiles			
Balance, June 30, 1985 .....	43,987	30,736	13,251
Current depreciation — 30% .....	.....	3,976	3,976
Balance, June 30, 1986 .....	43,987	34,712	9,275
Leasehold Improvements			
Balance, June 30, 1985 .....	76,855	48,771	28,084
Current addition .....	13,702	.....	13,702
	90,557	48,771	41,786
Current amortization — 20% .....	.....	8,357	8,357
Balance, June 30, 1986 .....	90,557	57,128	33,429
Totals — Statement 2 .....	\$ 265,559	\$ 170,649	\$ 94,910

## Prairie West Community College

### Auditor's Report

To The Members of the Board

We have examined the balance sheet of Prairie West Community College as at June 30, 1986 and the statements of revenue and expenses and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the college as at June 30, 1986 and the results of its operations for the year then ended in accordance with accounting principles as described in Note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

Kindersley, Saskatchewan,  
September 3, 1986.

Close, Perkins & Hauta  
Chartered Accountants

### Balance Sheet

June 30, 1986

#### Operating Fund

##### Assets

	1986	1985
Current Assets:		
Cash .....	\$ 44,333	\$ 103,771
Accounts receivable .....	17,594	21,393
Prepaid expenses .....	9,524	2,458
	<u>71,451</u>	<u>127,622</u>

#### Capital Fund

##### Assets

Current Assets:		
Cash .....	4,174	3,247
Fixed Assets (Note 3) .....	<u>67,416</u>	<u>69,056</u>
	71,590	72,303
	<u>\$ 143,041</u>	<u>\$ 199,925</u>

#### Operating Fund

##### Liabilities

Current Liabilities:		
Accounts payable and accrued liabilities .....	\$ 13,248	\$ 4,453

##### Equity

Surplus .....	<u>58,203</u>	<u>123,169</u>
	<u>71,451</u>	<u>127,622</u>

#### Capital Fund

##### Equity

Surplus .....	<u>71,590</u>	<u>72,303</u>
	<u>71,590</u>	<u>72,303</u>
	<u>\$ 143,041</u>	<u>\$ 199,925</u>

## Prairie West Community College

### Statement of Surplus — Operating Fund

Year Ended June 30, 1986

	1986	1985
Balance, Beginning of Year —	\$ 123,169	\$ 117,077
Net revenue (Loss) for the year	(64,966)	6,092
Balance, end of year	\$ 58,203	\$ 123,169

### Statement of Surplus — Capital Fund

Year Ended June 30, 1986

Balance, beginning of year	\$ 72,303	\$ 43,880
Capital assets purchased out of operating fund	19,337	45,453
Loss on disposition of capital assets	(3,406)	.....
Depreciation of capital assets for the year	(16,854)	(17,264)
Interest revenue	210	234
Balance, End of Year	\$ 71,590	\$ 72,303

### Statement of Revenue and Expenses

Year Ended June 30, 1986

	1986	1985
Revenue:		
Provincial Government — operating	\$ 472,755	\$ 484,224
— sponsored programs	88,548	74,804
Tuition fees — unsponsored programs	130,097	102,270
— sponsored programs	9,464	9,608
Other	27,591	32,611
Administration charges	64,827	65,008
	793,282	768,525
Expenses (Schedule):		
Administrative	196,200	187,433
Program direct — unsponsored programs	224,651	179,124
— sponsored programs	101,657	84,181
Program support	316,403	266,242
	838,911	716,980
Net revenue (Loss) before capital transactions	(45,629)	51,545
Payment on capital loan	.....	.....
Purchase of fixed assets	19,337	45,453
	19,337	45,453
Net revenue (loss) for the year	\$(64,966)	6,092

## Prairie West Community College

### Schedule of Expenses

Year Ended June 30, 1986

	1986	1985
Administrative:		
Board .....	\$ 21,137	\$ 15,265
Unallocated costs .....	121	1,533
Office .....	20,342	17,701
Rentals .....	39,787	39,918
Repairs and maintenance .....	1,657	2,094
Salaries and benefits .....	110,593	108,667
Other .....	2,563	2,255
	<u>196,200</u>	<u>187,433</u>
Program Direct (unsponsored):		
Advertising and promotion .....	20,036	16,563
Agency payments .....	51,192	27,390
Course costs .....	13,337	24,116
Program office .....	14,344	11,369
Rentals .....	32,924	28,726
Repairs and maintenance .....	665	475
Salaries and benefits .....	67,915	48,134
Other .....	24,238	22,351
	<u>224,651</u>	<u>179,124</u>
Program Direct (sponsored):		
Advertising and promotion .....	868	2,246
Course costs .....	5,018	4,071
Program office .....	1,136	3,177
Rentals .....	13,917	21,988
Salaries and benefits .....	75,616	50,878
Other .....	5,102	1,821
	<u>101,657</u>	<u>84,181</u>
Program Support:		
Advertising and promotion .....	2,072	1,588
Course costs .....	897	1,087
Program office expense .....	20,627	15,076
Rentals .....	19,012	15,000
Repairs and maintenance .....	4,765	5,219
Salaries and benefits .....	249,265	211,692
Other .....	19,765	16,580
	<u>316,403</u>	<u>266,242</u>
	<u>\$ 838,911</u>	<u>\$ 716,980</u>

## Prairie West Community College

### Notes to Financial Statements

June 30, 1986

#### 1. Accounting Policies:

##### General:

The accounting policies used by the organization are in accordance with accounting policies generally accepted for community colleges.

##### Operation of Operating Fund:

All activities of the organization are accounted for in the operating fund. Fixed assets purchased with operating fund revenue are recorded as an expense of the operating fund in the year of acquisition.

##### Operation of Capital Fund:

Fixed assets are recorded at cost in the capital fund in the year purchased. Donated fixed assets are recorded at their estimated fair market value at the time of the donation. Any amount paid by the operating fund on acquisition is recorded as an increase in capital fund equity.

On disposal of fixed assets, the cost is removed from fixed assets and the associated gain or loss on disposal is reflected as an increase or decrease of capital fund equity.

##### Depreciation:

Since the cost of fixed assets is recorded as an expense in the year of acquisition, no provision for depreciation is recorded in the operating fund. Depreciation is reported as a direct reduction of the equity in capital assets in the capital fund.

Depreciation in the capital fund is provided using the declining balance method at the annual rate of 20% for all fixed assets.

#### 2. Long-Term Lease:

Future lease payments under a long-term building lease, expiring in 1990, are \$34,964 per annum and in aggregate amount to \$319,982 over the term of the lease, subject to an escalation based on costs of operation.

#### 3. Fixed Assets:

	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>1986 Net Book Value</i>	<i>1985 Net Book Value</i>
Audio-visual Equipment . . . . .	\$ 35,150	\$ 27,255	\$ 7,895	\$ 10,341
Office furniture and equipment . . . . .	73,347	30,381	42,966	35,972
Capital equipment — program . . . . .	26,314	9,759	16,555	22,743
	<u>\$ 134,811</u>	<u>\$ 67,395</u>	<u>\$ 67,416</u>	<u>\$ 69,056</u>

#### 4. Comparative Figures:

Certain of the 1986 figures on the statement of revenue and expenses have been reclassified to conform to the 1985 financial statement presentation.



## Prince Albert Regional Community College

### Auditor's Report

To the Board of Directors of  
Prince Albert Regional Community College:

We have examined the balance sheet of Prince Albert Regional Community College as at June 30, 1986 and the statements of revenue and expenditures and of fund balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1986 and the results of its operations and the changes in its financial position for the year then ended, in accordance with accounting policies described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Prince Albert, Saskatchewan,  
October 29, 1986.

Deloitte, Haskins & Sells  
Chartered Accountants

### Operating Fund

#### Statement of Revenue and Expenditures

Year Ended June 30, 1986

	<i>Un-sponsored Programs</i>	<i>Sponsored Programs</i>	<i>1986 Total</i>	<i>1985 Total</i>
Revenue				
Grants .....	\$ 512,404	\$ 1,926,702	\$ 2,439,106	\$ 2,993,150
Tuition fees .....	290,630	.....	290,630	290,153
Rental .....	395,309	.....	395,309	99,889
Administrative .....	256,790	.....	256,790	224,818
Contract .....	805,105	.....	805,105	757,843
Transfer from other funds .....	55,135	.....	55,135	.....
Support service recovery .....	408,883	.....	408,883	79,844
Miscellaneous .....	2,586	.....	2,586	61,273
	<u>2,726,842</u>	<u>1,926,702</u>	<u>4,653,544</u>	<u>4,506,970</u>
Expenditures				
Administration — Schedule 1 .....	689,115	.....	689,115	326,160
Program-direct — Schedule 2 .....	1,212,035	1,926,702	3,138,737	3,507,937
Program-support — Schedule 3 .....	674,258	.....	674,258	508,674
	<u>2,575,408</u>	<u>1,926,702</u>	<u>4,502,110</u>	<u>4,342,771</u>
Contributions to Capital Fund				
Office equipment .....	12,772	.....	12,772	9,086
Computer equipment .....	46,262	.....	46,262	.....
Leaseholds and moving expenses .....	1,318	.....	1,318	1,900
Instructional equipment .....	10,856	.....	10,856	54,133
	<u>71,208</u>	<u>.....</u>	<u>71,208</u>	<u>65,119</u>
Surplus from operations	80,226	.....	80,226	99,080
Appropriation for computerization	15,000	.....	15,000	.....
Excess of Revenue over Expenditures ...	<u>\$ 65,226</u>	<u>\$ .....</u>	<u>\$ 65,226</u>	<u>\$ 99,080</u>

## Prince Albert Regional Community College

### Balance Sheet

June 30, 1986

#### Assets

	1986			1985	
	Capital Fund	Operating Fund	Total	Total	
<b>Current Assets</b>					
Cash .....	\$ .....	\$ 174,630	\$ 174,630	\$ 75,812	
Accounts receivable (Note 2) .....	.....	369,953	369,953	246,278	
Prepaid expenses .....	.....	2,251	2,251	1,433	
		546,834	546,834	323,523	
Equipment (Note 3) .....	239,569	.....	239,569	228,926	
	<u>\$ 239,569</u>	<u>\$ 546,834</u>	<u>\$ 786,403</u>	<u>\$ 552,449</u>	
<b>Liabilities</b>					
Current Liabilities					
Accounts payable and accrued liabilities .....	\$ .....	\$ 361,026	\$ 361,026	\$ 185,008	
Deferred income .....	.....	40,991	40,991	18,789	
		402,017	402,017	203,797	
<b>Fund Balances</b>					
Unappropriated Fund Balance .....	239,569	104,952	344,521	268,652	
Appropriated Fund Balance .....	.....	39,865	39,865	80,000	
	239,569	144,817	384,386	348,652	
	<u>\$ 239,569</u>	<u>\$ 546,834</u>	<u>\$ 786,403</u>	<u>\$ 552,449</u>	

### Statement of Fund Balances

Year Ended June 30, 1986

	1986			1985	
	Capital Fund	Operating Fund Un-Appropriated	Operating Fund Appropriated	Total	Total
Fund Balance,					
Beginning of Year .... \$	228,926	\$ 39,726	\$ 80,000	\$ 348,652	\$ 235,081
Excess of Revenue over Expenditures .....	.....	65,226	.....	65,226	99,080
Recovery of Prior Year's Expenditure .....	.....	.....	.....	.....	24
Transfer to					
Un-sponsored Programs .....	.....	.....	(55,135)	(55,135)	.....
Amortization of Leasehold and Moving Expenses .....	(6,666)	.....	.....	(6,666)	(6,533)
Depreciation of Equipment .....	(53,899)	.....	.....	(53,899)	(44,119)
Current Year Appropriation .....	.....	.....	15,000	15,000	.....
	168,361	104,952	39,865	313,178	283,533
Contribution by Operating Fund					
Office equipment ....	12,772	.....	.....	12,772	9,086
Leaseholds and moving expenses ....	1,318	.....	.....	1,318	1,900
Instructional equipment .....	10,856	.....	.....	10,856	54,133
Computer equipment .	46,262	.....	.....	46,262	.....
Fund Balance, End of Year .....	<u>\$ 239,569</u>	<u>\$ 104,952</u>	<u>\$ 39,865</u>	<u>\$ 384,386</u>	<u>\$ 348,652</u>

## Prince Albert Regional Community College

### Notes to the Financial Statements

June 30, 1986

#### 1. Significant Accounting Policies

The significant accounting policies used by the College are as follows:

##### Fund Accounting

A fund is a separate self-balancing group of accounts provided for each accounting function established within the accounting system to segregate the transactions of a particular activity. These funds are:

##### a) Operating

The operating fund contains the current revenue, expenditures, assets and liabilities pertaining to the general operations of the college. Included in operating fund expenditures are transfers to the capital fund for purchase of capital assets.

##### b) Capital Fund

The capital fund contains the equipment and the equity in capital fund assets.

##### c) Sponsored Programs Fund

The sponsored programs fund contains the current revenues and expenditures relating to the operation of specific program courses. As the expenditures of these program courses are fully recovered there is no surplus or deficit.

##### Equipment — Capital Fund

Equipment and leasehold improvements are expensed in the operating fund. Equipment is recorded at cost in the capital fund and is depreciated on the diminishing balance method. Leasehold improvements are amortized using the straight-line method over the term of the lease.

#### 2. Accounts Receivable

	1986	1985
Grants receivable .....	\$ 365,427	\$ 208,066
Other receivables .....	4,526	38,212
	<u>\$ 369,953</u>	<u>\$ 246,278</u>

#### 3. Equipment

	Cost	Accumulated Depreciation	Net Book Value	Depreciation Rates
Computer equipment .....	\$ 46,262	\$ 13,879	\$ 32,383	30%
Bookkeeping equipment .....	17,003	14,150	2,853	20%
Furniture and equipment .....	131,109	85,787	45,322	20%
Instructional equipment .....	351,587	239,678	111,909	20%
Leasehold improvements and moving expenses .....	209,241	162,139	47,102	Term of lease
	<u>\$ 755,202</u>	<u>\$ 515,633</u>	<u>\$ 239,569</u>	

#### 4. Lease Commitment

The College leases premises under lease arrangements with a minimum annual rental of \$276,283. The current leases expire as follows:

		Annual Lease
Main Campus	September 1993	\$ 213,851
St. Pats	August 1986	36,020
Learning Centre	November 1986	26,412

## Prince Albert Regional Community College

### Schedule of Un-sponsored Administration Expenses

Year Ended June 30, 1986

### Schedule 1

	1986	1985
Audit .....	\$ 6,600	\$ 6,000
Bad debt expense .....	125	1,035
Bank charges and interest .....	1,384	6,963
Board expenses — honoraria .....	8,920	7,601
— public relations .....	6,273	7,674
— sundry .....	3,663	2,474
— travel .....	3,392	2,041
— association fees .....	4,457	4,371
Contractual services .....	16,873	.....
Dues and subscriptions .....	893	496
Freight .....	.....	21
Insurance — building and contents .....	4,608	5,274
Licenses and legal .....	365	185
Postage .....	4,433	6,347
Rent — equipment .....	2,000	.....
— facilities .....	268,412	26,058
— vehicles .....	.....	3,173
Repairs — buildings .....	13,032	940
— equipment .....	2,512	2,618
Salaries and benefits .....	288,718	203,447
Security .....	6,769	8,725
Sundry .....	75	1,667
Supplies and equipment .....	7,683	12,094
Telephone .....	2,679	2,896
Training .....	2,088	1,525
Travel and conferences .....	14,502	6,278
Utilities .....	18,659	6,257
	<u>\$ 689,115</u>	<u>\$ 326,160</u>

### Schedule of Direct Program Expenses

Year Ended June 30, 1986

### Schedule 2

	Un-sponsored Programs	Sponsored Programs	1986 Total	1985 Total
Advertising .....	\$13,232	\$ 6,208	\$ 19,440	\$ 27,691
Contractual services .....	855,633	275,614	1,131,247	856,953
Educational material and supplies .....	26,158	154,209	180,367	250,759
Office supplies .....	.....	5,375	5,375	18,033
Postage .....	415	4,538	4,953	7,710
Rent — equipment .....	414	62,560	62,974	68,604
— facilities .....	16,996	299,961	316,957	360,192
Repairs — buildings .....	.....	.....	.....	4,306
— equipment .....	257	367	624	5,759
Salaries and employee benefits .....	280,528	1,076,342	1,356,870	1,820,500
Staff development .....	888	700	1,588	1,177
Telephone .....	1,107	3,435	4,542	14,650
Travel — staff .....	16,407	37,393	53,800	56,845
Utilities .....	.....	.....	.....	14,758
	<u>\$ 1,212,035</u>	<u>\$ 1,926,702</u>	<u>\$ 3,138,737</u>	<u>\$ 3,507,937</u>

## Prince Albert Regional Community College

### Schedule of Un-sponsored Programs — Support Expenses

Year Ended June 30, 1986

### Schedule 3

	1986	1985
Advertising .....	\$ 2,345	\$ 2,743
Dues and subscriptions .....	75	238
Insurance .....	534	265
Licenses and taxes .....	860	.....
Postage .....	18,497	3,541
Rent — buildings .....	42,000	40,413
— equipment .....	41,172	46,293
— vehicles .....	8,976	8,810
Repairs — equipment .....	421	388
— vehicles .....	287	107
Salaries and employee benefits .....	490,571	345,522
Staff development .....	1,389	82
Supplies and equipment .....	33,544	38,082
Telephone .....	24,210	17,074
Travel .....	9,377	5,116
	<u>\$ 674,258</u>	<u>\$ 508,674</u>



## Regina Plains Community College

### Auditor's Report

The Board  
Regina Plains Community College  
Regina, Saskatchewan

We have examined the Balance Sheet of Regina Plains Community College at 30 June 1986, and the Statements of Revenue and Expenditure, Surplus and Changes in Capital Fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College at 30 June 1986, and the results of its operations for the year then ended in accordance with accounting principles set out in the notes to the financial statements applied on a basis consistent with that of the preceding year.

August 5, 1986  
Regina, Saskatchewan

Arcscott & Partners  
Chartered Accountants

### Balance Sheet

At June 30, 1986, 1985.

### Exhibit "A"

#### Assets

#### Revenue Fund

##### Current:

	1986	1985
Cash .....	\$ 111,417	\$ 190,834
Due from Adult Basic Education Fund .....	311,461	230,579
Accounts receivable		
— Saskatchewan Advanced Education and Manpower .....	108,329	81,424
— Other .....	134,253	120,672
Advance to employees .....	262	10,958
Prepaid expenses .....	6,780	.....
	<u>672,502</u>	<u>634,467</u>

#### Adult Basic Education Fund

##### Current:

Accounts receivable		
— Saskatchewan Advanced Education and Manpower .....	719,019	815,673
— Other .....	2,736	8,065
	<u>\$ 721,755</u>	<u>\$ 823,738</u>

#### Capital Fund (Notes 1, 3)

Office and audio/visual equipment .....	\$ 310,175	\$ 295,183
Furniture and fixtures .....	135,590	105,036
Computerization — Student Registration and Records .....	131,905	.....
Leasehold improvement .....	92,967	112,255
Automotive equipment .....	8,251	8,251
Computer Software .....	21,406	12,116
Reference Material .....	729	729
	<u>701,023</u>	<u>533,570</u>
	<u>\$ 2,095,280</u>	<u>\$ 1,991,775</u>

"See accompanying notes"

## Regina Plains Community College

### Balance Sheet

At June 30, 1986, 1985.

### Exhibit "A"

#### Liabilities, Surpluses and Equity

	Note Ref.	1986	1985
<b>Revenue Fund</b>			
Current:			
Accounts payable and accrued liabilities .....	1d \$	599,229 \$	449,132
Operating advance from Employment and Immigration Canada .....		43,427	150,172
Unearned revenue .....		670	1,693
		643,326	600,997
Surplus — Exhibit "B" .....		29,176	33,470
		672,502	634,467
<b>Adult Basic Education Fund</b>			
Current:			
Operating advance from Saskatchewan Advanced Education and Manpower .....		383,943	578,000
Due to revenue fund .....		311,461	230,579
Accounts payable and accrued liabilities .....		26,351	15,159
	\$	721,755	823,738
<b>Capital Fund</b>			
Equity in capital fund assets .....	\$	701,023	533,570
	\$	2,095,280	1,991,775

"See accompanying notes"

### Statement of Revenue Fund Surplus

For the Years Ended June 30, 1986, 1985.

### Exhibit "B"

	1986	1985
Surplus — July 1		
As previously reported .....	\$ 33,470	\$ 106,763
Adjustment of unused holiday pay .....	.....	(43,109)
As restated .....	33,470	63,654
Excess revenue (expenditure) for the year — Exhibit "C" .....	(4,294)	(30,184)
Surplus — June 30 — to Exhibit "A" .....	\$ 29,176	\$ 33,470

## Regina Plains Community College

### Statement of Revenue and Expenditure

For the Years Ended June 30, 1986, 1985.

Exhibit "C"

	Note Ref.	1986	1985
<b>Revenue Fund</b>			
Revenue:			
Operating grants			
— Saskatchewan Advanced Education and Manpower	\$	829,905	\$ 844,032
Tuition fees		534,617	381,462
Program reimbursement		692,124	334,554
Administration charge	1e	236,847	225,123
Interest		18,086	20,998
Rental	1e	128,797	76,580
Transfer in from Adult Basic Education Fund		.....	40,197
Other		38,149	44,977
		<u>2,478,525</u>	<u>1,967,923</u>
Expenditure:			
Administration and Co-ordination — Schedule "1"		1,049,995	975,157
Courses and instruction — Schedule "2"		1,216,074	762,785
Capital — Schedule "3"		216,750	260,165
		<u>\$ 2,482,819</u>	<u>\$ 1,998,107</u>
Excess revenue (expenditure) for the year — to Exhibit "B"		<u>\$ (4,294)</u>	<u>\$ (30,184)</u>
"See accompanying notes"			

### Statement of Revenue and Expenditure and Surplus

For the Years Ended June 30, 1986, 1985.

Exhibit "D"

	1986	1985
<b>Adult Basic Education Fund</b>		
Revenue:		
Program reimbursement	\$ 3,637,396	\$ 2,987,628
Tuition fees	82,959	58,223
Sales of materials	737	780
	<u>3,721,092</u>	<u>3,046,631</u>
Expenditure — Schedule "4"	3,721,092	3,006,434
Excess revenue for the year	.....	40,197
Surplus — beginning of year	.....	.....
Less: Transferred to revenue fund	.....	40,197
Surplus — end of year	<u>\$ .....</u>	<u>\$ .....</u>

### Statement of Revenue and Expenditure and Surplus

For the Years Ended June 30, 1986, 1985.

Exhibit "E"

	1986	1985
<b>N.S.I.M. Program</b>		
Revenue:		
Program	\$ 437,771	\$ 374,320
Expenditure		
Agency payments	367,870	315,991
Salaries and benefits	63,996	45,917
Other	2,774	785
Advertising	2,019	588
Travel	1,112	1,367
Administration charge	.....	7,800
Rent — Equipment	.....	1,872
	<u>437,771</u>	<u>374,320</u>
Excess revenue for the year	.....	.....
Surplus — beginning of year	.....	.....
Surplus — end of year	<u>\$ .....</u>	<u>\$ .....</u>

"See accompanying notes"

## Regina Plains Community College

### Statement of Changes in Capital Fund

For the Years Ended June 30, 1986, 1985.

### Exhibit "F"

	1986	1985
Balance — Beginning of year	\$ 533,570	\$ 348,890
Add — Transfer from revenue fund	216,750	260,165
Deduct		
— Disposal of equipment	.....	27,899
— Disposal of furniture and fixture	.....	446
— Current amortization of leasehold improvements	49,297	47,140
Balance — end of year	\$ 701,023	\$ 533,570

"See accompanying notes"

### Schedule of Administration and Co-ordinating Expenditure

For the Years Ended June 30, 1986, 1985.

### Schedule "1"

	1986	1985
Salaries, wages and benefits	\$ 751,029	\$ 701,789
Rent — facilities	64,795	66,952
Telephone	57,696	37,189
Repairs and maintenance	32,976	28,990
Office supplies	32,169	33,620
Board expenses	21,868	21,811
Cartage	18,006	17,437
Travel	16,045	14,638
Postage	12,403	16,587
Professional services	12,240	11,545
Audit fee	9,467	6,200
Other	8,894	4,819
Insurance	6,420	8,587
In-service training	5,987	4,993
Total — to Exhibit "C"	\$ 1,049,995	\$ 975,157

### Schedule of Course and Instruction Expenditure

For the Years Ended June 30, 1986, 1985.

### Schedule "2"

	Note Ref.	1986	1985
Salaries, wages and benefits		\$ 701,226	\$ 429,521
Contracted courses and fees		96,308	65,359
Advertising		125,793	97,221
Rent — facilities	1e	134,466	63,183
Instructional aids and supplies		48,754	35,856
Other course costs		80,751	39,564
Supplies and materials for resale		7,733	13,500
Travel		21,043	18,581
Total — to Exhibit "C"		\$ 1,216,074	\$ 762,785

"See accompanying notes"

### Schedule of Capital Expenditure

For the Years Ended June 30, 1986, 1985.

### Schedule "3"

	1986	1985
Office and audio visual equipment	\$ 14,993	\$ 142,775
Furniture and fixtures	30,554	14,877
Reference and materials	.....	231
Computer software	9,290	8,978
Leasehold improvements	30,008	93,304
Computerization — Student Registration and Records	131,905	.....
Total — To Exhibit "C"	\$ 216,750	\$ 260,165

## Regina Plains Community College

### Schedule of Adult Basic Education Program Expenditure

For the Years Ended June 30, 1986, 1985.

### Schedule "4"

	Note Ref.	1986	1985
Salaries and wages .....		\$ 2,759,890	\$ 2,162,122
Rent — facilities .....		229,739	224,655
Repairs and maintenance .....		183,718	156,046
Rent — equipment .....	1e	158,469	161,782
Administration charge .....	1e	155,876	136,928
Supplies and education materials .....		102,489	81,342
Utilities and services .....		44,810	14,694
Travel .....		28,069	29,925
Other .....		25,259	15,416
In-service training .....		17,573	14,019
Transfer to Saskatchewan Advanced Education and Manpower .....		15,200	9,505
Total — To Exhibit "D" .....		\$ 3,721,092	\$ 3,006,434

"See accompanying notes"

### Notes to the Financial Statements

At June 30, 1986

#### 1. Significant Accounting Policies:

These financial statements have been prepared in accordance with the following policies:

##### a) Funding Accounting

The College uses fund accounting to account for transactions. These funds are the:

Revenue Fund — relates to general operations

Adult Basic Education Fund — relates to adult basic education program

Capital Fund — relates to capital assets

N.S.I.M. Fund — relates to non-status Indians and Metis program

##### b) Fixed Assets

All acquired fixed assets which cost more than \$200 each are recorded as capital expenditures. To maintain accountability for these fixed assets, they are recorded as Capital Fund fixed assets with an offsetting charge to Equity in the Capital Fund assets. The College does not record any depreciation expenses. The cost of fixed assets disposed of and/or traded in is recorded as a reduction to equity in Capital Fund assets.

##### c) Leasehold Improvements

Costs relating to leasehold improvements have been capitalized and are being amortized over the term of the leases.

##### d) Outstanding cheques

All outstanding cheques are shown as accounts payable. At year end the amount of outstanding cheques was \$107,416.

##### e) Shared Program Revenues and Expenses

Shared program costs are recorded when incurred in the appropriate fund. To match expenditures with related allocations they are also recorded as shared program costs in the related area. These amounts have not been noted on the financial statements as are as follows:

Administration revenue/expense .....	\$ 98,000
Rental revenue/expense .....	124,000
	<u>\$222,000</u>



## Regina Plains Community College

### Notes to the Financial Statements — (Concluded)

#### 2. Major Lease Agreements

- a) A contract was signed on August 6, 1981, between the Board of Education of the Regina School Division No. 4 of Saskatchewan (Landlord) and the College (Tenant) to lease the Victoria School, 1915 Retallack Street, Regina, Saskatchewan. The contract calls for monthly rent payments of \$6,000. The contract expires on August 30, 1991.
- b) A contract was signed on November 3, 1981, between International Executive Developments Ltd. (Landlord) and the College (Tenant) to lease the College's main premise, 2708 12th Avenue, Regina, Saskatchewan. The contract calls for monthly rent payments of \$5,293. This contract expires on February 28, 1987.
- c) A contract was signed on September 1, 1983, between Sacred Heart Academy Corporation (Landlord) and the College (Tenant) to lease the premises at 2115 Athol Street, Regina, Saskatchewan. The contract calls for monthly rent payments of \$3,546. (\$1,012 for base rent plus \$2,534 for operating costs which is subject to annual adjustments). This contract expires on June 30, 1988.
- d) A contract was signed on June 29, 1984, between Redco Holdings Ltd. (Landlord) and the College (Tenant), to lease the Computer Education/Counselling Centre on 2304-11th Avenue, Regina, Saskatchewan. The contract calls for monthly rent payments of \$3,350.00. This contract expires on August 31, 1987. An Addendum was added to the contract on February 26, 1985, to rent additional office space in the same building. It calls for an additional monthly rent payment of \$5,416.67, starting April 1, 1985. The addendum expires on August 31, 1987.
- e) A contract was signed on September 26, 1984, between the Board of Education of the Regina School Division #4 (Landlord) and the College (Tenant), to lease McLeod School at 3500 Queen Street, Regina with the term of May 28 - December 31, 1984 and McCannel School at 4040 Garnet Street, Regina and R. J. Davidson School at 30 Franklin Street, Regina, these latter two facilities for the term of July 16, 1984 to March 31, 1986. The contract calls for monthly rent payments of \$2,500 for each facility. An Addendum was added to the contract on the 31st day of December, 1984, to extend the term of the lease for McLeod School from January 1, 1985 to May 31, 1985. A further addendum was added to the contract on the 22nd of May 1985 to extend the term of the lease for McLeod School from June 1, 1985 to June 30, 1986. A further addendum was added to the contract on April 22, 1986 extending the term of the lease for McLeod School from July 1, 1986 to June 30, 1987 and McCannel and R. J. Davidson Schools from July 1, 1986 to March 31, 1987.
- f) A contract was signed on August 17, 1983, between R & G Holdings Limited Moose Jaw (Landlord) and the College (Tenant), to lease classroom facilities at 2735 Saskatchewan Drive, Regina. The contract called for monthly rent payments of \$606.38 for the term of September 1, 1983 to August 31, 1984. Effective April 9, 1984 this contract was assumed by the new landlord, Staseson-Klein Decorators (1979) Ltd.; an addendum was added to the contract on August 9, 1984 to extend the term from September 1, 1984 to June 30, 1985, with monthly rent payments of \$643.00; a further addendum was added to the contract on June 5, 1985, to extend the term from June 1, 1985 to June 30, 1986.

#### 3. Leasehold Improvements

- a) The renovation of A.B.E. Centre cost \$38,667. Starting October 1, 1982, it is being amortized over the term of the lease, which is ten years, at \$332 per month.
- b) The renovation of the College's main premises cost \$71,807. Starting March 1, 1982, it is being amortized over the term of the lease, which is five years at \$1,197 per month.
- c) There was another renovation in the College's main building in July, 1984, at a cost of \$13,527. Starting July 1, 1984, it is being amortized over thirty-two months at \$423 per month.
- d) The Computer/Career Centre and the Bridging Job Training Centre were renovated in August, 1984 at a cost of \$79,777. Starting August 1, 1984, it is being amortized over thirty-seven months at \$2,156 per month.
- e) Renovations were commenced at the E.S.L. Centre at 2115 Athol Street, Regina, at a contract price of \$30,008. Starting July 1, 1986, the cost of renovations will be amortized over the balance of the term of the lease which is twenty-four months at \$1,251 per month.

#### 4. Comparative Figures

Some of the 1985 figures of the statement of revenue and expenditures have been reclassified to conform to the 1986 financial statements presentation.

## Saskatchewan Indian Community College (Operating as the Saskatchewan Indian Institute of Technologies)

### Auditors' Report

To the Board of Directors of the  
Saskatchewan Indian Community College

We have examined the balance sheet of the Saskatchewan Indian Community College (operating as the Saskatchewan Indian Institute of Technologies) as at June 30, 1986 and the statements of operations and deficit for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1986 and the results of its operations for the year then ended, in accordance with the accounting principles set out in the Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Saskatoon, Saskatchewan,  
September 5, 1986.

Price Waterhouse  
Chartered Accountants

### Balance Sheet

	June 30	
	1986	1985
<b>Assets</b>		
Current assets:		
Bank .....	\$ 145,590	\$ 84,045
Term deposits (Note 2) .....	130,187	219,890
Accounts receivable (Note 3) .....	870,207	1,140,708
Prepaid expense .....	18,497	27,479
	1,164,481	1,472,122
Fixed assets (Notes 1 and 4) .....	841,414	818,095
Goodwill (Notes 1 and 5) .....	18,575	37,151
	<u>\$ 2,024,470</u>	<u>\$ 2,327,368</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable (Note 6) .....	\$ 637,986	\$ 541,951
Advance — Saskatchewan Advanced Education and Manpower (Note 7) ..	476,000	665,000
Obligation under capital lease (Note 8) .....	6,043	5,353
Deferred revenue (Note 9) .....	36,088	206,848
	1,156,117	1,419,152
Obligation under capital lease (Note 8) .....	15,292	21,335
<b>Equity</b>		
Equity in fixed assets (Note 1) .....	841,414	818,095
Equity in goodwill (Note 1) .....	18,575	37,151
Surplus (deficit) .....	(6,928)	31,635
	853,061	886,881
	<u>\$ 2,024,470</u>	<u>\$ 2,327,368</u>

# **Saskatchewan Indian Community College**

## **(Operating as the Saskatchewan Indian Institute of Technologies)**

### **Statement of Deficit**

	<i>Year ended June 30</i>	
	<i>1986</i>	<i>1985</i>
Unappropriated surplus:		
Surplus at beginning of year .....	\$ 31,635	\$ 80,715
Transfer from appropriated surplus .....	.....	36,456
Surplus (deficit) for the year		
Surplus (deficit) from operations .....	(8,563)	14,053
Less: Special items (Note 10) .....	(30,000)	(99,589)
	<u>(38,563)</u>	<u>(85,536)</u>
Unappropriated surplus (deficit) at end of year .....	<u>(6,928)</u>	<u>31,635</u>
Appropriated surplus:		
Surplus at beginning of year .....	.....	36,456
Transfer to unappropriated surplus .....	.....	(36,456)
Appropriated surplus at end of year .....	.....	.....
Total surplus (deficit) at end of year .....	<u>\$ (6,928)</u>	<u>\$ 31,635</u>

### **Statement of Operations**

	<i>Year ended June 30</i>	
	<i>1986</i>	<i>1985</i>
<b>Revenue: — (Schedule 1)</b>		
Administration .....	\$ 1,504,035	\$ 1,571,385
Courses .....	2,885,382	2,409,465
Special programs .....	1,348,328	1,497,320
Other .....	12,598	18,773
Total revenue .....	<u>5,750,343</u>	<u>5,496,943</u>
<b>Expenditures: — (Schedule 2)</b>		
Administration .....	1,504,035	1,546,900
Courses .....	2,886,085	2,409,466
Special programs .....	1,368,786	1,526,524
Total expenditures .....	<u>5,758,906</u>	<u>5,482,890</u>
Surplus (deficit) from operations .....	<u>(8,563)</u>	<u>14,053</u>
Special items: (Note 10)		
Curriculum development — Forestry Technology Program .....	(30,000)	.....
Forgiveness of Federation of Saskatchewan Indians, Inc. loan .....	.....	(69,893)
Write off of band advances .....	.....	(19,696)
Sports Council grant .....	.....	(10,000)
	<u>(30,000)</u>	<u>(99,589)</u>
Surplus (deficit) for the year .....	<u>\$ (38,563)</u>	<u>\$ (85,536)</u>

## Saskatchewan Indian Community College

(Operating as the Saskatchewan Indian Institute of Technologies)

### Notes to Financial Statements

June 30, 1986

#### 1. Accounting principles and policies:

The College's financial statements have been prepared in accordance with generally accepted accounting principles except where indicated below.

#### Fixed assets, goodwill, depreciation and amortization —

Fixed assets and goodwill are recorded at cost and are purchased out of revenue funds for the year. The College's equity in fixed assets and goodwill results from a double entry made at the time of the purchase of an asset. The purchase is recorded both as an expenditure, affecting the calculation of surplus, and as an asset. The equity in fixed assets and goodwill represents the amount of asset purchases which have been recorded less accumulated depreciation and amortization.

The depreciation and amortization charges lower the book value of the assets and decreases the equity in fixed assets and goodwill.

Depreciation and amortization charges are based on estimated useful lives of the assets, and are calculated using the following methods and rates:

Assets (Note 4)	Depreciation/Amortization Method	Rate/Term
Automotive equipment	Declining balance	30%
Furniture and equipment	Declining balance	20%
Leasehold improvements	Declining balance	20%
Equipment — Skills Growth Fund	Straight-line	5 years
Leasehold improvements — Skills Growth Fund	Straight-line	5 years
Goodwill	Straight-line	4 years

#### Statement of changes in financial position —

This statement has not been included on the basis that it does not provide any information additional to that disclosed in the balance sheet and statement of operations.

#### 2. Line of Credit:

Term deposits of \$130,187 are used as collateral for a line of credit which can be drawn upon up to the balance of the term deposit.

#### 3. Accounts receivable:

Accounts receivable at June 30 consists of the following:

	1986	1985
Saskatchewan Advanced Education and Manpower:		
Administration reimbursement .....	\$ 232,242	\$ 329,942
Recoverable course costs .....	446,812	618,497
Department of Regional Industrial Expansion .....	46,452	.....
Employment and Immigration Canada .....	.....	103,484
Health and Welfare Canada .....	36,341	3,333
Indian and Northern Affairs Canada .....	36,288	28,420
Staff advances .....	9,067	19,290
Miscellaneous .....	13,711	15,365
Federation of Saskatchewan Indians, Inc. ....	27,092	12,573
Saskatchewan Indian Cultural College .....	1,101	900
Saskatchewan Indian Federated College .....	875	900
All Nations Institute of Technology .....	20,226	8,004
	<u>\$ 870,207</u>	<u>\$ 1,140,708</u>



# Saskatchewan Indian Community College

(Operating as the Saskatchewan Indian Institute of Technologies)

## Notes to Financial Statements — (Continued)

### 4. Fixed Assets:

Fixed assets consist of:

	1986	1985
Automotive equipment .....	\$ 82,090	\$ 63,406
Equipment .....	429,965	329,001
Equipment under capital lease .....	34,965	34,965
Furniture .....	71,996	67,518
Furniture and fixtures —		
Prince Albert Business College .....	52,692	35,291
Furniture under capital lease .....	8,284	8,284
Leasehold improvements .....	92,147	75,085
Equipment — Skills Growth Fund .....	447,873	369,658
Leasehold improvements —		
Skills Growth Fund .....	376,982	317,440
	<u>1,596,994</u>	<u>1,300,648</u>
Less: accumulated depreciation and amortization .....	755,580	482,553
Net book value .....	<u>\$ 841,414</u>	<u>\$ 818,095</u>

Assets purchased through the Employment and Immigration Canada Skills Growth Fund are located at College training institute program centres throughout the province.

### 5. Goodwill:

Goodwill represents the excess of the purchase price of the Prince Albert Business College over the appraised value of its assets at the date of purchase, less accumulated amortization. Accumulated amortization is \$55,726 (1985 — \$37,150).

### 6. Accounts payable:

Accounts payable at June 30 consists of the following:

	1986	1985
Trade payables and accrued liabilities .....	\$ 553,944	\$ 499,451
All Nations Institute of Technology .....	65,292	.....
Federation of Saskatchewan Indians, Inc. ....	18,750	37,500
Saskatchewan Indian Housing Commission .....	.....	5,000
	<u>\$ 637,986</u>	<u>\$ 541,951</u>

### 7. Advance:

Saskatchewan Advanced Education and Manpower extends a working capital advance to the College. The advance is monitored throughout the year by the funding agency.

### 8. Lease obligations:

#### a) Capital leases.

The obligations under the capital leases are reduced by rental payments net of imputed interest. The amount of interest for the year ended June 30, 1986 was \$2,960 and the interest rate was 12.19%. The following is a schedule of future minimum lease payments under the capital leases as at June 30, 1986.

For the year: 1987	\$ 8,313
1988	8,313
1989	8,992
Total minimum lease payments	\$ 25,618
Less amount representing interest	4,283
Present value of minimum lease payments	\$ 21,335
Current portion included in current liabilities	6,043
Long-term obligations under capital lease	<u>\$ 15,292</u>

#### b) Operating leases.

The College has commitments under operating leases as follows:

Year ended June 30, 1987	\$120,685
1988	37,101
1989	5,234
	<u>\$163,020</u>



## **Saskatchewan Indian Community College** **(Operating as the Saskatchewan Indian Institute of Technologies)**

### **Notes to Financial Statements — (Concluded)**

**9. Deferred revenue:**

Deferred revenue arises when funding received from various agencies is to be applied against program expenditures made subsequent to June 30, 1986. It relates to the following program:

National Native Alcohol and Drug Abuse Program (Health and Welfare Canada)	<u>\$36,088</u>
--	-----------------

**10. Special items:**

The Board of Directors of the College authorized an expenditure of \$30,000, to be made out of past surplus, for curriculum development on the Forestry Technology program.

**11. Related party transactions:**

Related parties to the College include the Federation of Saskatchewan Indian and Nations, Inc. (FSIN), the Saskatchewan Indian Cultural College, the Saskatchewan Indian Federated College, and the Saskatchewan Indian Housing Commission.

Under a management agreement, the College paid \$131,250 to FSIN during the year ended June 30, 1986.

**12. All Nations Institute of Technology:**

During the year, the Board of Directors of the College entered into an agreement with the All Nations Institute of Technology (ANIT) to assist them in the general management of their training programs. As required by Saskatchewan Advanced Education and Manpower, funding for ANIT is paid directly to the College and subsequently transferred to ANIT. As at June 30, 1986, \$362,053 had been received by the College on behalf of ANIT.

# Saskatchewan Indian Community College

(Operating as the Saskatchewan Indian Institute of Technologies)

## Schedule of Revenue

	Schedule	Schedule 1	
		Year ended June 30	
		1986	1985
<b>Administration:</b>			
Saskatchewan Advanced Education and Manpower			
— Administrative reimbursement		\$ 1,127,389	\$ 1,186,885
Indian and Northern Affairs Canada		375,000	384,500
Administration costs recovered		1,646	.....
		<u>\$ 1,504,035</u>	<u>\$ 1,571,385</u>
<b>Courses:</b>			
Saskatchewan Advanced Education and Manpower		\$ 2,285,382	\$ 2,399,722
Indian and Northern Affairs Canada		600,000	.....
Costs recovered		.....	9,743
		<u>\$ 2,885,382</u>	<u>\$ 2,409,465</u>
<b>Special programs:</b>			
Skills Growth Fund Capital Expenditures	6	\$ 270,289	\$ 468,131
National Native Alcohol and Drug Abuse Program	7	302,462	150,493
Heavy Equipment Operator	8	190,349	.....
Health Sciences Program Development I	9	162,188	116,232
Health Sciences Program Development II	10	31,468	.....
Prince Albert Business College	11	114,034	225,586
Data Centre Project	12	75,000	.....
Log Home Building Program	13	46,452	.....
Executive Management Leadership Training	14	40,000	.....
Community Health Representative Programs	15	29,943	70,589
Career Development/Communications	16	22,278	17,722
Indian Recreation Directors Training Program	17	30,000	.....
Fire Academy	18	27,868	204,170
Employment Development Program	19	4,763	19,747
Yorkton District Management Training Program	20	1,234	.....
Saskatchewan Indian Management Training Institute		.....	150,000
Special Events		.....	9,650
Instructional Aids Production Service		.....	25,000
Building Inspectors Part I		.....	40,000
		<u>\$ 1,348,328</u>	<u>\$ 1,497,320</u>
<b>Other:</b>			
Interest		\$ 10,714	\$ 12,514
Miscellaneous		1,884	6,259
		<u>\$ 12,598</u>	<u>\$ 18,773</u>

**Saskatchewan Indian Community College**  
**(Operating as the Saskatchewan Indian Institute of Technologies)**

**Schedule of Expenditures**

	<i>Schedule</i>	<b>Schedule 2</b>	
		<i>Year ended June 30</i>	
		<i>1986</i>	<i>1985</i>
Administration .....	3	\$ 1,504,035	\$ 1,546,900
Courses			
Saskatchewan Advanced Education and Manpower .....	4	\$ 2,285,382	\$ 2,409,466
Indian and Northern Affairs Canada .....	5	600,703	.....
		\$ 2,886,085	\$ 2,409,466
Special Programs:			
Skills Growth Fund Capital Expenditures .....	6	\$ 280,427	\$ 463,075
National Native Alcohol and Drug Abuse Program .....	7	315,041	142,064
Heavy Equipment Operator Training Program .....	8	190,349	.....
Health Sciences Program Development I .....	9	162,188	116,232
Health Sciences Program Development II .....	10	31,468	.....
Prince Albert Business College .....	11	111,775	264,986
Data Centre Project .....	12	75,000	.....
Log Home Building Program .....	13	46,452	.....
Executive Management Leadership Training Program .....	14	40,000	.....
Community Health Representative Programs .....	15	29,943	70,589
Career Development/Communications Project .....	16	22,278	17,722
Indian Recreation Directors Training Program .....	17	30,000	.....
Fire Academy .....	18	27,868	204,170
Employment Development Program .....	19	4,763	19,747
Yorkton District Management Training Program .....	20	1,234	.....
Saskatchewan Indian Management Training Institute .....		.....	150,000
Special Events .....		.....	11,704
Instructional Aids Production Service .....		.....	25,393
Building Inspectors Part I .....		.....	40,842
		\$ 1,368,786	\$ 1,526,524

# Saskatchewan Indian Community College

## (Operating as the Saskatchewan Indian Institute of Technologies)

### Schedule of Administrative Expenditures

### Schedule 3

Year ended June 30

	1986	1985
Contractual services:		
Audit and accounting .....	\$ 19,792	\$ 21,335
Casual labour .....	2,455	300
Management contract FSIN (Note 11) .....	131,250	187,500
Consultations .....	13,749	90,752
Legal .....	4,854	1,774
	<u>\$ 172,100</u>	<u>\$ 301,661</u>
Operating:		
Advertising .....	\$ 17,150	\$ 2,651
Bank charges and interest .....	8,830	12,855
Business development .....	17,148	14,224
Equipment rentals and repairs .....	15,659	23,566
General maintenance and insurance .....	17,583	10,543
Leasehold improvements .....	3,225	8,948
Planning and development .....	.....	8,850
Postage .....	7,046	6,115
Rent — building .....	105,976	62,743
Storage, moving and shipping .....	(3,205)	15,904
Taxes .....	.....	5,973
Telephone and utilities .....	82,648	67,752
Xeroxing and printing .....	10,863	14,633
	<u>\$ 282,923</u>	<u>\$ 254,757</u>
Personnel:		
Employee benefits .....	\$ 41,444	\$ 21,929
Salaries .....	662,959	605,661
Staff training .....	10,040	3,880
Training allowances .....	.....	1,661
Travel and sustenance .....	140,301	156,014
Vehicle maintenance .....	4,921	17,231
	<u>\$ 859,665</u>	<u>\$ 806,376</u>
Supplies:		
Educational supplies .....	\$ 2,782	\$ 4,748
Films .....	24,709	.....
Furniture and equipment purchases .....	20,252	45,964
Office supplies .....	22,200	23,376
Subscriptions and audio-visual supplies .....	1,688	1,746
	<u>\$ 71,631</u>	<u>\$ 75,834</u>
Other:		
Board honoraria .....	\$ 54,738	\$ 31,810
Board travel .....	46,988	43,063
Conferences .....	.....	2,380
Miscellaneous .....	7,942	15,902
Vehicle rent .....	8,048	15,117
	<u>\$ 117,716</u>	<u>\$ 108,272</u>
Total administrative expenditures .....	<u>\$ 1,504,035</u>	<u>\$ 1,546,900</u>

## Saskatchewan Indian Community College (Operating as the Saskatchewan Indian Institute of Technologies)

### Schedule of Saskatchewan Advanced Education and Manpower Sponsored Course Expenditures

	Schedule 4	
	Year ended June 30	
	1986	1985
Administrative charges .....	\$ 22,396	\$ 13,685
Advertising .....	5,586	1,261
Classroom supply and textbooks .....	214,030	223,302
Contractual services .....	450,281	617,812
Employee benefits .....	50,716	28,938
Freight .....	3,176	9,655
Fuel .....	10,600	13,351
Furniture .....	21,304	.....
Insurance .....	10,099	.....
Janitorial .....	12,579	874
Major tools and equipment .....	38,996	64,550
Other charges .....	12,237	16,853
Planning and development .....	.....	237
Postage .....	3,603	915
Printing, binding and engraving .....	4,949	2,643
Renovations .....	24,229	9,646
Rent — equipment and vehicles .....	12,592	151,681
Rent — grounds and building .....	107,945	134,326
Repairs, equipment and furniture .....	25,995	25,777
Salaries .....	943,803	768,751
Small tools and equipment .....	11,348	5,859
Staff training .....	8,769	6,601
Student training .....	17,648	7,391
Telephone and utilities .....	48,935	59,195
Trainees meals and accommodations .....	6,148	4,112
Travel and sustenance .....	214,776	239,609
Xeroxing and duplicating .....	2,642	2,442
	<u>\$ 2,285,382</u>	<u>\$ 2,409,466</u>

### Schedule of Indian and Northern Affairs Canada Sponsored Course Expenditures

	Schedule 5	
	Year ended June 30	
	1986	1985
Administrative charges .....	\$ 23,200	\$ .....
Advertising .....	1,193	.....
Classroom supplies and textbooks .....	63,862	.....
Computer software .....	754	.....
Contractual services .....	73,957	.....
Employee benefits .....	9,481	.....
Freight .....	529	.....
Insurance .....	1,044	.....
Janitorial .....	750	.....
Major tools and equipment .....	9,936	.....
Other charges .....	827	.....
Planning and development .....	6,680	.....
Postage .....	122	.....
Rent — classroom equipment .....	.....	.....
— grounds and building .....	41,015	.....
Repairs, equipment and furniture .....	1,464	.....
Salaries .....	297,551	.....
Small tools and equipment .....	499	.....
Staff training .....	1,970	.....
Telephone and utilities .....	74	.....
Trainees meals and accommodations .....	240	.....
Travel and sustenance .....	48,910	.....
Vehicles .....	16,189	.....
Xeroxing and duplicating .....	456	.....
	<u>\$ 600,703</u>	<u>\$ .....</u>



## Saskatchewan Indian Community College (Operating as the Saskatchewan Indian Institute of Technologies)

### Skills Growth Fund Capital Expenditures

#### Statement of Operations

	Schedule 6	
	Year ended June 30	
	1986	1985
Revenue:		
Skills Growth Funding — Employment and Immigration Canada .....	\$ 268,942	\$ 468,131
Interest .....	1,347	.....
	<u>270,289</u>	<u>468,131</u>
Expenditures:		
Classroom renovations .....	61,708	122,976
Major tools and equipment .....	72,497	144,183
Planning and development .....	103,182	109,949
Small tools and equipment .....	22,296	81,165
Supplies .....	20,744	4,802
	<u>\$ 280,427</u>	<u>\$ 463,075</u>
Surplus (deficit) for the year .....	<u>\$ (10,138)</u>	<u>\$ 5,056</u>

### National Native Alcohol and Drug Abuse Program

#### Statement of Operations

	Schedule 7	
	Year ended June 30	
	1986	1985
Revenue:		
Health and Welfare Canada .....	\$ 302,462	\$ 150,493
Expenditures:		
Administration charges .....	6,469	19,500
Classroom supplies and texts .....	1,525	669
Contractual services .....	28,756	5,490
Employee benefits .....	729	757
Other charges .....	2,749	702
Planning and development .....	.....	1,900
Printing and binding .....	555	.....
Rent — classroom equipment .....	1,318	473
Rent — grounds and building .....	6,334	1,375
Resource personnel .....	26,445	17,550
Salaries .....	21,532	15,355
Student training .....	8,343	800
Telephone and utilities .....	132	.....
Trainees meals and accommodations .....	119,335	43,245
Travel and sustenance .....	90,605	34,076
Xeroxing and duplicating .....	214	172
	<u>315,041</u>	<u>142,064</u>
Surplus (deficit) for the year .....	<u>\$ (12,579)</u>	<u>\$ 8,429</u>

## Saskatchewan Indian Community College (Operating as the Saskatchewan Indian Institute of Technologies)

### Heavy Equipment Operator Training Program

#### Statement of Operations

**Schedule 8**  
Year ended June 30

	1986	1985
Revenue:		
Department of Regional Industrial Expansion .....	\$ 190,349	\$ .....
Expenditures:		
Administrative charges .....	17,304	.....
Classroom supplies and texts .....	5,768	.....
Employee benefits .....	533	.....
Equipment rent .....	110,015	.....
Freight .....	3,609	.....
Fuel .....	21,544	.....
Insurance .....	539	.....
Major tools and equipment .....	662	.....
Repairs, equipment, furniture .....	6,254	.....
Salaries .....	17,365	.....
Small tools and equipment .....	304	.....
Staff and student training .....	3,654	.....
Travel and sustenance .....	2,798	.....
	190,349	.....
Surplus (deficit) for the year .....	\$ .....	\$ .....

### Health Sciences Program Development I

#### Statement of Operations

**Schedule 9**  
Year ended June 30

	1986	1985
Revenue:		
Health and Welfare Canada .....	\$ 162,188	\$ 116,232
Expenditures:		
Advertising .....	215	5,243
Classroom supplies and texts .....	6,030	781
Contractual services .....	1,800	4,650
Employee benefits .....	7,619	4,474
Other charges .....	202	352
Printing and binding .....	.....	644
Rent — grounds and building .....	.....	75
Resource personnel .....	250	1,431
Salaries .....	133,757	81,153
Small tools and equipment .....	655	.....
Software .....	275	.....
Staff training .....	760	60
Subscriptions .....	215	.....
Telephone and utilities .....	116	.....
Trainee meals and accommodations .....	.....	350
Travel and sustenance .....	10,294	17,019
	162,188	116,232
Surplus (deficit) for the year .....	\$ .....	\$ .....

## Saskatchewan Indian Community College (Operating as the Saskatchewan Indian Institute of Technologies)

### Health Sciences Program Development II

#### Statement of Operations

	Schedule 10	
	Year ended June 30	
	1986	1985
Revenue:		
Health and Welfare Canada .....	\$ 31,468	\$ .....
Expenditures:		
Administration charges .....	5,000	.....
Contractual services .....	7,238	.....
Other charges .....	500	.....
Resource personnel .....	8,450	.....
Salaries .....	5,286	.....
Travel and sustenance .....	4,994	.....
	31,468	.....
Surplus (deficit) for the year .....	\$ .....	\$ .....

## Prince Albert Business College

#### Statement of Operations

	Schedule 11	
	Year ended June 30	
	1986	1985
Revenue:		
Fees collected .....	\$ 79,898	\$ 59,428
Funding — Employment and Immigration Canada .....	34,136	166,158
	\$ 114,034	\$ 225,586
Expenditures:		
Advertising .....	1,424	2,032
Classroom supplies and texts .....	8,507	23,193
Employee benefits .....	3,093	9,688
Insurance .....	300	3,700
Janitorial .....	3,663	5,227
Major tools and equipment .....	.....	1,208
Other charges .....	732	599
Planning and development .....	.....	1,124
Printing and postage .....	1,238	5,438
Rent — grounds and building .....	8,727	16,441
Repairs, equipment, furniture .....	1,958	3,569
Salaries .....	73,583	158,285
Staff training .....	.....	210
Telephone and utilities .....	2,755	9,394
Travel and sustenance .....	5,795	24,758
Xeroxing and duplicating .....	.....	120
	111,775	264,986
Surplus (deficit) for the year .....	\$ 2,259	\$ (39,400)

## Saskatchewan Indian Community College (Operating as the Saskatchewan Indian Institute of Technologies)

### Data Centre Project

#### Statement of Operations

	<b>Schedule 12</b>	
	<i>Year ended June 30</i>	
	1986	1985
Revenue:		
Indian and Northern Affairs Canada .....	\$ 75,000	\$ .....
Expenditures:		
Advertising .....	440	.....
Contractual services .....	13,650	.....
Employee benefits .....	1,142	.....
Freight .....	50	.....
Major tools and equipment .....	29,159	.....
Printing and binding .....	422	.....
Salaries .....	18,475	.....
Software .....	6,711	.....
Travel and sustenance .....	4,951	.....
	<u>75,000</u>	<u>.....</u>
Surplus (deficit) for the year .....	<u>\$ .....</u>	<u>\$ .....</u>

### Log Home Building Program

#### Statement of Operations

	<b>Schedule 13</b>	
	<i>Year ended June 30</i>	
	1986	1985
Revenue:		
Department of Regional Industrial Expansion .....	\$ 46,452	\$ .....
Expenditures:		
Administration charges .....	3,692	.....
Classroom supplies and texts .....	489	.....
Contractual services .....	9,750	.....
Major tools and equipment .....	1,100	.....
Planning and development .....	2,500	.....
Telephone and utilities .....	100	.....
Trainee meals and accommodations .....	22,710	.....
Travel and sustenance .....	6,111	.....
	<u>46,452</u>	<u>.....</u>
Surplus (deficit) for the year .....	<u>\$ .....</u>	<u>\$ .....</u>

### Executive Management Leadership Training Program

#### Statement of Operations

	<b>Schedule 14</b>	
	<i>Year ended June 30</i>	
	1986	1985
Revenue:		
Indian and Northern Affairs Canada .....	\$ 40,000	\$ .....
Expenditures:		
Contractual services .....	40,000	.....
Surplus (deficit) for the year .....	<u>\$ .....</u>	<u>\$ .....</u>

## Saskatchewan Indian Community College (Operating as the Saskatchewan Indian Institute of Technologies)

### Community Health Representative Programs

#### Statement of Operations

	<b>Schedule 15</b>	
	<i>Year ended June 30</i>	
	<i>1986</i>	<i>1985</i>
Revenue:		
Health and Welfare Canada .....	\$ 29,943	\$ 70,589
Expenditures:		
Administration charges .....		7,004
Classroom renovations .....	180	324
Contractual services .....		2,400
Printing and postage .....	211	.....
Rent — grounds and building .....		1,372
Resource personnel .....	4,500	450
Salaries .....	7,645	3,802
Telephone and utilities .....		44
Trainee meals and accommodations .....	6,046	31,672
Travel and sustenance .....	11,361	23,521
	29,943	70,589
Surplus (deficit) for the year .....	\$ .....	\$ .....

### Career Development/Communications Project

#### Statement of Operations

	<b>Schedule 16</b>	
	<i>Year ended June 30</i>	
	<i>1986</i>	<i>1985</i>
Revenue:		
Indian and Northern Affairs Canada .....	\$ 22,278	\$ 17,722
Expenditures:		
Contractual services .....		5,000
Employee benefits .....	370	277
Films .....	8,763	.....
Other charges .....	100	93
Printing and binding .....	8,264	892
Rent — equipment .....	394	533
Resource personnel .....	300	.....
Salaries .....	3,123	10,038
Subscriptions .....	219	.....
Supplies .....	46	606
Travel and sustenance .....	487	283
Xeroxing and duplicating .....	212	.....
	22,278	17,722
Surplus (deficit) for the year .....	\$ .....	\$ .....



## Saskatchewan Indian Community College (Operating as the Saskatchewan Indian Institute of Technologies)

### Indian Recreation Directors Training Program

#### Statement of Operations

#### Schedule 17

Year ended June 30

	1986	1985
Revenue:		
Indian and Northern Affairs Canada .....	\$ 30,000	\$ .....
Expenditures:		
Administration charges .....	6,000	.....
Classroom supplies and texts .....	400	.....
Employee benefits .....	330	.....
Other charges .....	31	.....
Planning and development .....	1,842	.....
Rent — grounds and building .....	5,000	.....
Resource personnel .....	4,059	.....
Salaries .....	6,392	.....
Trainee meals and accommodations .....	1,232	.....
Travel and sustenance .....	4,714	.....
	30,000	.....
Surplus (deficit) for the year .....	\$ .....	\$ .....

### Fire Academy

#### Statement of Operations

#### Schedule 18

Year ended June 30

	1986	1985
Revenue:		
Indian and Northern Affairs Canada .....	\$ 27,868	\$ 204,170
Expenditures:		
Administration charges .....	7,000	8,000
Board travel and honoraria .....	.....	5,479
Classroom supplies and texts .....	40	6,649
Contractual services .....	2,018	45,016
Employee benefits .....	809	727
Freight .....	83	730
Other charges .....	45	1,380
Planning and development .....	.....	191
Repairs to equipment and furniture .....	1,025	6,136
Rent — equipment .....	.....	120
Salaries .....	9,601	22,898
Telephone and utilities .....	1,260	2,109
Trainee meals and accommodations .....	.....	8,677
Training — students .....	.....	3,840
Travel and sustenance .....	5,987	78,049
Vehicles .....	.....	14,080
Xeroxing and duplicating .....	.....	89
	27,868	204,170
Surplus (deficit) for the year .....	\$ .....	\$ .....

## Saskatchewan Indian Community College (Operating as the Saskatchewan Indian Institute of Technologies)

### Employment Development Program

#### Statement of Operations

	<b>Schedule 19</b>	
	<i>Year ended June 30</i>	
	<u>1986</u>	<u>1985</u>
Revenue:		
Saskatchewan Social Services .....	\$ 4,763	\$ 19,747
Expenditures:		
Salaries and benefits .....	4,763	19,747
Surplus (deficit) for the year .....	<u>\$ .....</u>	<u>\$ .....</u>

### Yorkton District Management Training Program

#### Statement of Operations

	<b>Schedule 20</b>	
	<i>Year ended June 30</i>	
	<u>1986</u>	<u>1985</u>
Revenue:		
Indian and Northern Affairs Canada .....	\$ 1,234	\$ .....
Expenditures:		
Salaries .....	900	.....
Travel and sustenance .....	334	.....
	<u>1,234</u>	<u>.....</u>
Surplus (deficit) for the year .....	<u>\$ .....</u>	<u>\$ .....</u>

## Saskatoon Region Community College

### Auditors' Report

To the Members of the Board

We have examined the balance sheet of the Saskatoon Region Community College as at June 30, 1986 and the statements of revenue and expenses and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the college as at June 30, 1986 and the results of its operations for the year then ended in accordance with accounting principles as described in note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

Saskatoon, Saskatchewan,  
July 23, 1986.

Guthrie & Partners  
Chartered Accountants

### Balance Sheet

#### Operating Fund

As at June 30, 1986

Assets	1986	1985
<b>Current Assets</b>		
Cash .....	\$ .....	\$ 108,400
Accounts receivable		
Department of Advanced Education .....	958,556	699,810
Other .....	137,900	166,562
Prepaid expenses .....	28,911	31,517
	1,125,367	1,006,289
Bursary Funds in Trust .....	12,737	11,500
	1,138,104	1,017,789

#### Capital Fund

##### Assets

	Cost	Accumulated Depreciation		
<b>Fixed Assets</b> (notes 1 and 2)				
Furniture and equipment .....	\$ 566,215	\$ 270,892	295,323	188,812
Audio-visual equipment .....	73,795	32,898	40,897	31,614
Leasehold improvements .....	247,405	111,906	135,499	153,340
	\$ 887,415	\$ 415,696	471,719	373,766
			\$ 1,609,823	\$ 1,391,555

#### Operating Fund

##### Liabilities

	1986	1985
<b>Current Liabilities</b>		
Bank advances .....	\$ 227,987	\$ .....
Accounts payable and accrued liabilities .....	332,074	146,441
Tuition fees received in advance .....	41,123	39,484
Accountable advances from Department of Advanced Education .....	352,000	548,000
	953,184	733,925
Bursary Trust Liability .....	12,737	11,500
	965,921	745,425
<b>Equity</b>		
Surplus — Flat Grant Program .....	172,183	201,710
Surplus — Sponsored Program .....	.....	70,654
	172,183	272,364
	1,138,104	1,017,789

#### Capital Fund

##### Equity

Surplus .....	471,719	373,766
	\$ 1,609,823	\$ 1,391,555

## Saskatoon Region Community College

### Statement of Surplus

For the Year Ended June 30, 1986

#### Operating Fund — Flat Grant Program

	1986	1985
Balance — Beginning of Year .....	\$ 201,710	\$ 128,758
Net revenue (expenses) for the year .....	(29,527)	72,952
Balance — End of Year .....	\$ 172,183	\$ 201,710

#### Operating Fund — Sponsored Program

Balance — Beginning of Year .....	\$ 70,654	\$ 70,654
Repayment to Department of Advanced Education .....	(70,654)	.....
Balance — End of Year .....	\$ .....	\$ 70,654

#### Capital Fund

Balance — Beginning of Year .....	\$ 373,766	\$ 360,086
Capital assets purchased out of operating fund .....	210,787	94,343
Depreciation and amortization of fixed assets .....	(111,258)	(80,663)
Proceeds on disposal of fixed assets .....	(1,970)	.....
Gain on disposal of fixed assets .....	394	.....
Balance — End of Year .....	\$ 471,719	\$ 373,766

### Statement of Revenue and Expenses

For the Year Ended June 30, 1986

	Flat Grant Program	Sponsored Program	1986	1985
Revenue (Schedule 1)				
Provincial Government .....	\$ 1,060,465	\$ 3,332,577	\$ 4,393,042	\$ 4,274,775
Tuition fees .....	665,907	492,814	1,158,721	921,716
Other revenue .....	234,951	10,069	245,020	174,750
	1,961,323	3,835,460	5,796,783	5,371,241
Expenses				
Flat grant program (Schedule 2) .....	1,357,084	.....	1,357,084	1,215,124
Flat grant administrative (Schedule 3) ...	422,979	.....	422,979	391,652
Cost-shared/NSIM program (Schedule 4) ..	.....	2,505,518	2,505,518	2,323,978
SSDP (Schedule 5) .....	.....	1,329,942	1,329,942	1,273,192
	1,780,063	3,835,460	5,615,523	5,203,946
Revenue for the Year Before Capital Transactions .....	181,260	.....	181,260	167,295
Capital Transactions				
Purchase of fixed assets .....	210,787	.....	210,787	94,343
Net Revenue (Expenses) for the Year (note 3) .....	\$ (29,527)	\$ .....	\$ (29,527)	\$ 72,952

## Saskatoon Region Community College

### Schedule of Revenue

For the Year Ended June 30, 1986

### Schedule 1

	Sponsored Programs			1986	1985
	Flat Grant Program	Cost-Shared/ NSIM Program	SSDP Program		
Provincial Government					
Operating grant .....	\$ 859,020	\$ .....	\$ 1,319,873	\$ 2,178,893	\$ 880,980
Supplemental payments .....	104,406	75,439	.....	179,845	58,665
Sponsored program payments .....	97,039	1,937,265	.....	2,034,304	3,335,130
	1,060,465	2,012,704	1,319,873	4,393,042	4,274,775
Tuition Fees .....	759,813	492,894	.....	1,252,707	1,006,777
Less: Fee refunds ....	(93,906)	(80)	.....	(93,986)	(85,061)
	665,907	492,814	.....	1,158,721	921,716
Other Revenue					
Interest .....	28,385	.....	.....	28,385	43,658
Rental — office space .....	10,055	.....	.....	10,055	13,678
Sundry .....	9,666	.....	2,200	11,866	11,448
Resale of material ....	15,810	.....	4,979	20,789	10,553
Rental — equipment ..	161,715	.....	.....	161,715	75,485
PESP refunds .....	633	.....	.....	633	9,412
SGEU reimbursement ..	2,099	.....	.....	2,099	1,586
Administration .....	6,588	.....	2,890	9,478	8,930
	234,951	.....	10,069	245,020	174,750
	<u>\$ 1,961,323</u>	<u>\$ 2,505,518</u>	<u>\$ 1,329,942</u>	<u>\$ 5,796,783</u>	<u>\$ 5,371,241</u>

### Schedule of Expenses — Flat Grant Program Direct/Support

For the Year Ended June 30, 1986

### Schedule 2

	1986	1985
Salaries and benefits .....	\$ 961,352	\$ 853,090
Agency payments .....	150,166	127,821
Advertising and promotion .....	67,385	59,430
Rentals —		
Building .....	46,109	42,459
Furniture and Equipment .....	226	542
Office —		
Postage .....	9,434	10,833
Supplies and stationery .....	14,623	15,747
Telephone .....	12,658	13,406
Cartage .....	9,099	12,055
Instructional —		
Materials .....	48,691	43,917
Materials for resale .....	11,479	11,724
Books .....	885	420
In-service training .....	3,740	4,081
Repairs and maintenance .....	281	326
Sundry .....	5,747	.....
Professional fees .....	.....	382
Travel —		
Instructional staff .....	4,298	3,664
Regular employees .....	2,588	6,987
Fee assistance .....	5,652	6,627
Other .....	2,171	1,613
	<u>\$ 1,357,084</u>	<u>\$ 1,215,124</u>



## Saskatoon Region Community College

### Schedule of Expenses — Flat Grant Administrative

For the Year Ended June 30, 1986

### Schedule 3

	1986	1985
Salaries and benefits .....	\$ 248,056	\$ 216,397
Board expenses .....	25,640	30,519
Rentals —		
Office .....	57,459	57,619
Furniture and equipment .....	21,337	20,436
Professional services —		
Computer services .....	4,645	3,836
Audit .....	1,518	1,898
Legal .....	1,518	140
Office expenses —		
Supplies and stationery .....	4,759	4,870
Utilities .....	9,677	8,844
Small equipment .....	376	4
Postage .....	3,145	3,611
Telephone .....	4,219	4,469
Bank charges .....	5,225	2,177
Insurance .....	3,762	1,362
Cartage .....	1,161	1,008
Taxes .....	16,249	15,333
Sundry .....	180	196
Repairs and maintenance .....	8,003	11,268
Employees travel .....	4,451	4,565
In-service training .....	1,241	2,204
Other .....	358	896
	<u>\$ 422,979</u>	<u>\$ 391,652</u>

### Schedule of Expenses — Cost-Shared/NSIM Program

For the Year Ended June 30, 1986

### Schedule 4

	1986	1985
Salaries and benefits .....	\$ 1,827,632	\$ 1,686,079
Rentals —		
Building .....	238,229	230,203
Office equipment .....	159,473	94,681
Office —		
Postage .....	4,618	3,419
Supplies and stationery .....	15,403	17,642
Telephone .....	16,489	15,674
Utilities .....	23,487	24,733
Cartage .....	5,567	5,426
Other office expenses .....	21,908	12,123
Taxes .....	37,915	35,776
Course Costs —		
Agency payments .....	12,015	14,610
Instructional material .....	50,866	70,475
Dues and subscriptions .....	3,179	3,758
Other course costs .....	14,148	15,999
In-service training .....	8,675	11,411
Travel .....	24,920	21,354
Other .....	900	841
Repairs and maintenance —		
Building .....	26,173	46,035
Equipment .....	13,921	13,739
	<u>\$ 2,505,518</u>	<u>\$ 2,323,978</u>

## Saskatoon Region Community College

### Schedule of Expenses — Saskatchewan Skills Development Program (SSDP)

Schedule 5

For the Year Ended June 30, 1986

	1986	1985
Salaries and benefits .....	\$ 910,114	\$ 777,952
Rentals —		
Building .....	183,816	167,800
Office equipment .....	76,779	153,494
Office —		
Postage .....	1,461	1,219
Supplies and stationery .....	15,190	18,569
Telephone .....	9,711	9,864
Cartage .....	5,173	4,704
Other office expenses .....	17,880	9,908
Course Costs —		
Agency payment .....	25,147	16,951
Instructional material .....	41,521	75,757
Dues and subscriptions .....	1,359	1,668
Other course costs .....	22,177	9,600
In-service training .....	8,641	4,350
Travel .....	4,667	4,384
Other .....	35	641
Repairs and maintenance —		
Building .....	32	13,632
Equipment .....	6,239	2,699
	<u>\$ 1,329,942</u>	<u>\$ 1,273,192</u>

### Notes to Financial Statements

For the Year Ended June 30, 1986

#### 1. Accounting Policies

##### General

The accounting policies followed by the College are in accordance with accounting procedures outlined for Saskatchewan Community Colleges.

##### Operating Fund

All activities of the College are accounted for in the operating fund. Payments on fixed asset purchases are recorded as an expense of the operating fund.

Revenue and expenses, and the resulting surplus or deficit, in the operating fund are separated into flat grant program and sponsored program. Each surplus is designated to offset future expenses of the respective program and is not available for appropriation by any other program.

##### Capital Fund

Fixed assets are recorded at cost in the capital fund in the year of acquisition. Donated fixed assets are recorded at their estimated fair market value at the time of the donation.

On disposal of fixed assets, the net book value is removed from fixed assets and any associated gain or loss on disposal is reflected as an increase or decrease of capital fund surplus.

##### Depreciation

Since the cost of fixed assets is recorded as an expense in the year of acquisition, no provision for depreciation is recorded in the operating fund. Depreciation is reported as a direct reduction of the surplus in the capital fund and respective fixed assets are shown net of accumulated depreciation.

Depreciation in the capital fund is provided using the declining balance method at the annual rate of 20% for furniture and equipment and for audio-visual equipment. Amortization of leasehold improvements is calculated on a straight-line basis over the respective lease term.

#### 2. Long-Term Lease

Lease payments, under a building lease expiring in 1992, for administrative and program facilities, are \$216,000 per annum until 1987, with the annual rental for the remaining term to be negotiated.

#### 3. Board Motions

During the year, the Board passed motions to approve expenditures of \$67,857 in excess of original budget.

#### 4. Subsequent Event

Negotiations are virtually complete to enable the signing of a 5 year lease for three floors of office tower space to be used for additional classrooms. Annual rental costs are estimated to be \$450,000.

## South East Region Community College

### Auditor's Report

To the Board of Directors

I have examined the balance sheets of the South East Region Community College as at June 30, 1986 and the statements of revenue and expenditures, capital fund surplus, current operating fund surplus, appropriated surplus and changes in fund balances for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the College as at June 30, 1986 and the results of its operations for the year then ended, in accordance with the stated basis of accounting applied on a basis consistent with that of the preceding year.

Weyburn, Saskatchewan,  
July 30, 1986.

Fred V. Milleker  
Chartered Accountant

### Capital Fund Balance Sheet

As at June 30, 1986

#### Assets

	Cost	Accumulated depreciation	1986	1985
Teaching aid equipment	\$ 116,159	\$ 62,584	\$ 53,575	\$ 11,048
Office equipment	48,100	38,938	9,162	36,716
	<u>\$ 164,259</u>	<u>\$ 101,522</u>	<u>\$ 62,737</u>	<u>\$ 47,764</u>

#### Capital Surplus

Equity in Capital Assets	\$ 62,737	\$ 47,764
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### Current Operating Fund Balance Sheet

As at June 30, 1986

#### Assets

	1986	1985
<b>Current Assets</b>		
Cash	\$ 2,266	\$ 34,239
Accounts receivable	130,547	110,498
Inventory of program supplies, text books and office supplies — at cost	14,376	12,640
Prepaid expenses	7,295	6,026
	<u>154,484</u>	<u>163,403</u>
<b>Other Assets</b>		
Deposits	75	190
	<u>\$ 154,559</u>	<u>\$ 163,593</u>

#### Liabilities

##### Current Liabilities

Accounts payable	\$ 39,661	\$ 20,078
Prepaid tuition	1,888	725
Advance payable — Department of Continuing Education	20,937	65,000
	<u>62,486</u>	<u>85,803</u>

#### Surplus

Surplus — Unappropriated	92,073	77,790
	<u>\$ 154,559</u>	<u>\$ 163,593</u>

## South East Region Community College

### Statement of Capital Fund Surplus

For the Year Ended June 30, 1986

	1986	1985
Balance — Beginning of Year	\$ 47,764	\$ 28,878
Add: Capital Expenditure from revenue	8,189	30,827
Capital expenditure from sponsored programs	22,468	.....
	<u>78,421</u>	<u>59,705</u>
Less: Depreciation for the year	15,684	11,941
Balance — End of Year	<u>\$ 62,737</u>	<u>\$ 47,764</u>

### Statement of Appropriated Surplus

For the Year Ended June 30, 1986

Balance — Beginning of Year	\$ .....	\$ 2,000
Transferred to current year's operations	.....	2,000
Balance — End of Year	<u>\$ .....</u>	<u>\$ .....</u>

### Statement of Current Operating Fund Surplus

For the Year Ended June 30, 1986

Balance — Beginning of Year	\$ 77,790	\$ 87,188
Transfer from appropriated equity	.....	2,000
Prior year's adjustment	.....	(2,363)
	<u>77,790</u>	<u>86,825</u>
Excess revenue (expenditure) for the year	14,283	(9,035)
Balance — End of Year	<u>\$ 92,073</u>	<u>\$ 77,790</u>

### Statement of Changes in Fund Balance

For the Year Ended June 30, 1986

	Current Operating Fund		Capital Fund	
	1986	1985	1986	1985
Surplus (Deficit) for the year	\$ 14,283	\$ (9,035)	\$ .....	.....
Add: Transfers from Revenue fund to				
Capital fund — capital expenditures	.....	.....	8,189	30,827
Recoveries direct from sponsored programs	.....	.....	22,468	.....
Meter deposit recovered	115	.....	.....	.....
	<u>14,398</u>	<u>(9,035)</u>	<u>30,657</u>	<u>30,827</u>
Less: Capital Expenditure	.....	.....	30,657	30,827
Prior year's adjustment	.....	2,363	.....	.....
	.....	<u>(2,363)</u>	<u>30,657</u>	<u>30,827</u>
Net increase (decrease) for the year	14,398	(11,398)	.....	.....
Fund Balance — Beginning of Year	77,600	88,998	.....	.....
Fund Balance — End of Year	<u>\$ 91,998</u>	<u>\$ 77,600</u>	<u>\$ .....</u>	<u>\$ .....</u>

# South East Region Community College

## Current Operating Fund

### Statement of Revenue and Expenditures

For the Year Ended June 30, 1986

	Un-sponsored Programs		Sponsored Programs		Total
	1986	1985	1986	1985	1986
Revenue					
Operating grant .....	\$ 628,848	\$ 658,440	\$ .....	\$ .....	\$ 628,848
Sponsored program payments .....	.....	.....	442,601	466,776	442,601
Tuition fees .....	150,331	156,293	22,303	3,250	172,634
Interest revenue .....	6,533	7,696	.....	.....	6,533
Accommodation certificate centre .....	.....	.....	34	3,062	34
Miscellaneous revenue .....	27,772	14,688	.....	.....	27,772
Administration recovery .....	.....	.....	109,360	118,270	109,360
Language funding .....	.....	.....	20,024	1,568	20,024
Total Revenue .....	813,484	837,117	594,322	592,926	1,407,806
Expenditures					
Program expenses — direct (Schedule 1) .....	201,164	209,637	463,976	473,746	665,140
— supportive (Schedule 2) .....	374,530	392,094	105,066	96,549	479,596
Administration expense — (Schedule 3) .....	240,598	236,225	.....	.....	240,598
Total Expenditures .....	816,292	837,956	569,042	570,295	1,385,334
Excess of Revenue Over Expenditure .....	(2,808)	(839)	25,280	22,631	22,472
Transferred to Capital Fund .....	404	2,245	7,785	28,582	8,189
Surplus (Deficit) for the Year .....	\$ (3,212)	\$ (3,084)	\$ 17,495	\$ (5,951)	\$ 14,283
					\$ (9,035)



# **South East Region Community College**

## **Schedule of Direct Program Expenses**

For the Year Ended June 30, 1986

	Un-sponsored Programs		Sponsored Programs		Total	Schedule 1
	1986	1985	1986	1985		
Advertising .....	\$ 11,292	\$ 16,115	\$ 9,566	\$ 10,992	\$ 20,858	1985 27,107
Agency payments .....	41,883	54,765	11,503	1,580	53,386	56,345
Instructor in-service training .....	2,012	1,047	846	1,033	2,858	2,080
Supplies and materials .....	1,636	851	33,808	32,945	35,444	33,796
Administration .....	1,775	791	2,487	1,903	4,262	2,694
Telephone and postage .....	1,246	355	2,430	3,384	3,676	3,739
Stationery and supplies .....	.....	.....	7,646	.....	7,646	.....
Cartage .....	639	454	1,409	1,758	2,048	2,212
Facility rental .....	23,892	22,572	76,548	68,811	100,440	91,383
Equipment rental .....	9,413	9,447	14,565	10,024	23,978	19,471
Equipment repairs .....	.....	.....	10,297	1,399	10,297	1,399
Instruction expense .....	88,525	79,335	280,396	325,907	368,921	405,242
Employee benefits — U.I.C. and C.P.P. ....	1,505	1,144	.....	.....	1,505	1,144
Workers' Compensation insurance .....	384	332	986	446	1,370	778
Travel .....	16,921	19,102	11,489	13,564	28,410	32,666
Program development .....	41	3,327	.....	.....	41	3,327
	\$ 201,164	\$ 209,637	\$ 463,976	\$ 473,746	\$ 665,140	\$ 683,383

# South East Region Community College

## Schedule of Supportive Program Expenses

For the Year Ended June 30, 1986

## Schedule 2

	Un-sponsored Program		Sponsored Program		Total
	1986	1985	1986	1985	1986
Advertising .....	\$ 7,906	\$ 10,455	\$ .....	\$ .....	\$ 7,906
Postage .....	12,282	13,442	380	.....	12,662
Supplies and materials .....	9,767	13,372	380	.....	10,147
Subscriptions and instructional materials .....	438	1,444	238	301	676
Telephone .....	18,616	17,730	4,705	3,991	23,322
Branch office rental .....	20,448	9,076	.....	.....	20,448
Branch office utilities .....	1,724	934	.....	.....	1,724
Branch office equipment repairs .....	275	1,577	.....	.....	275
Equipment rental .....	4,902	4,426	290	227	5,192
Janitorial services .....	3,084	2,620	.....	.....	3,084
Repair and maintenance .....	.....	.....	.....	2,000	.....
Repairs — teaching aids .....	146	2,492	.....	.....	146
Salaries — administrative .....	146,882	150,935	62,149	56,779	209,031
— clerical .....	93,582	104,701	20,632	20,221	114,214
Employee benefits — U.I.C. and C.P.P. ....	11,066	10,377	2,792	2,851	13,858
— Pension .....	15,660	14,490	3,960	3,399	19,620
— Insurance plan .....	2,314	2,654	658	728	2,972
Workers' Compensation insurance .....	309	634	.....	.....	309
Travel .....	16,113	17,296	5,572	6,052	21,685
In-service training .....	1,581	1,221	775	.....	2,356
Contact committee expense .....	139	3,335	.....	.....	139
College Native Advisory Committee expense .....	.....	.....	2,534	.....	2,534
Staff employment expense .....	36	1,176	.....	.....	36
Special projects .....	1,356	.....	.....	.....	1,356
Career services materials .....	5,904	7,707	.....	.....	5,904
<b>\$ 374,530</b>	<b>\$ 392,094</b>	<b>\$ 105,066</b>	<b>\$ 96,549</b>	<b>\$ 479,596</b>	<b>\$ 488,643</b>

## South East Region Community College

### Schedule of Administrative Expenses

For the Year Ended June 30, 1986

### Schedule 3

	1986	1985
Board member travel .....	\$ 5,555	\$ 6,525
Board honoraria .....	17,571	11,102
Board employee benefits .....	167	59
Other board expenses .....	2,061	2,186
Trustees Association dues .....	2,790	2,652
In-service training .....	680	400
Bank charges .....	688	174
Dues and subscriptions .....	1,289	328
Reference books and manuals .....	761	77
Insurance .....	1,510	1,095
Postage .....	4,106	4,481
Office supplies .....	3,326	4,238
Telephone .....	7,380	7,240
Utilities .....	3,426	3,557
Freight .....	578	996
Audit and legal .....	4,205	3,200
Office rent .....	27,225	28,352
Office equipment rent .....	7,490	8,582
Janitorial expense .....	1,440	1,565
Repairs and maintenance .....	947	2,004
Salaries — Administration officers .....	90,494	83,888
— Clerical staff .....	30,480	39,816
Employee benefits — U.I.C. and C.P.P. ....	4,620	4,020
— Pension plan .....	5,139	6,849
— Insurance plan .....	1,008	1,222
Workers' Compensation insurance .....	384	274
Travel and conference expense .....	8,026	6,841
Staff employment expense .....	6,955	4,407
Other .....	297	95
	<u>\$ 240,598</u>	<u>\$ 236,225</u>

### Notes to Financial Statements

June 30, 1986

#### 1. Summary of Significant Accounting Policies:

These balance sheets and abstracts have been prepared in accordance with accounting practices which vary in certain respects from generally accepted accounting principles. The more significant practices are as follows:

##### Fund Accounting:

A fund is a separate self-balancing group of accounts provided for each accounting entity established within the accounting system, to segregate those transactions of a particular activity. These funds are:

##### (a) Current Operating Fund

This fund contains the current revenues, expenditures, assets, and liabilities pertaining to the general operations of the entity. Included in current operating fund expenditures are transfers to the capital fund for purchase of capital assets.

##### (b) Capital Fund

The capital fund contains the capital assets which are teaching aids and office equipment, pertaining to the capital fund and the equity in the capital fund assets.

Purchases of equipment are financed either by transfers from the current operating fund, capital grants, sale of property and equipment, and capital loans. Depreciation is provided on the equipment using the declining balance method at the annual rate of 20%.

## Westside Community College

### Auditors' Report

Board of Directors  
Westside Community College

We have examined the Operating Fund and Capital Fund balance sheets of the Westside Community College as at June 30, 1986, and the statement of revenue and expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the College as at June 30, 1986, and the results of its operations and the changes in its financial position for the year then ended in accordance with accounting principles as described in Note 1 to the Operating Fund applied on a basis consistent with that of the preceding year.

Saskatoon, Saskatchewan,  
August 22, 1986.

Brown & Riggs  
Chartered Accountants

### Balance Sheet — Operating Fund

June 30, 1986

Exhibit 1

	1986	1985
<b>Assets</b>		
Current:		
Accounts receivable .....	\$ 133,666	\$ 303,079
Prepaid expenses .....	10,921	9,267
	<u>\$ 144,587</u>	<u>\$ 312,346</u>
<b>Liabilities</b>		
Current:		
Cheques written in excess of bank balance .....	\$ 8,410	\$ 101,158
Accounts payable — trade .....	10,006	9,896
— Province of Saskatchewan (Note 2) .....	37,857	26,136
Demand loan .....	.....	40,000
Deferred revenue .....	2,500	6,483
	<u>58,773</u>	<u>183,673</u>
<b>Fund Balance</b>		
Surplus, beginning of the year .....	128,673	146,670
Excess (Deficiency) of Revenue over Expenditures .....	(42,859)	(17,997)
Surplus, end of the year (Note 3) .....	<u>85,814</u>	<u>128,673</u>
	<u>\$ 144,587</u>	<u>\$ 312,346</u>

The accompanying notes are an integral part of these financial statements.

## Westside Community College

### Statement of Revenue and Expenditures

for the year ended June 30, 1986

**Exhibit 2**

	1986	1985
Revenue:		
Program Fund — Operating grants .....	\$ 893,210	\$ 818,732
Training Centre Fund — Operating grant .....	491,557	523,873
Administration Fund — Operating grant .....	418,824	436,800
— Other sponsored program grants .....	206,006	137,309
— Employment grants .....	8,164	.....
— Rentals .....	38,589	23,713
— Tuition fees .....	16,327	13,484
— Interest .....	1,787	1,205
— Administration charges .....	125,287	101,193
— Sundry .....	1,500	4,427
	<u>816,484</u>	<u>718,131</u>
	<u>2,201,251</u>	<u>2,060,736</u>
Expenditures:		
Program Fund (Schedule 1) .....	893,210	818,732
Training Centre Fund (Schedule 2) .....	491,557	523,873
Administration Fund (Schedule 3) .....	814,665	711,162
Contributions to Capital Fund .....	44,678	24,966
	<u>2,244,110</u>	<u>2,078,733</u>
Excess (Deficiency) of Revenue over Expenditures .....	\$ (42,859)	\$ (17,997)

The accompanying notes are an integral part of these financial statements.

### Notes to the Financial Statements

for the year ended June 30, 1986

**Exhibit 3**

#### 1. Significant Accounting Policies:

##### Fixed Assets —

Fixed assets are expensed against operations in the year they are purchased. Fixed assets are reported in a separate Capital Fund and therefore are not reflected on the balance sheet of the Administration Fund.

##### Operations —

Revenues and expenditures include the operations of the College's three funds — Administration Fund, Program Fund and Training Centre Fund.

#### 2. Account Payable — Province of Saskatchewan:

The account payable represents amounts collected by the College for rents collected on trailers purchased by the Program Fund and for meals served which were paid for out of Training Centre operating funds.

#### 3. Surplus:

The Board of the College has committed \$35,200 of the Surplus towards the construction of an office addition. The office addition was completed and the funds were expended subsequent to the year end.



## Westside Community College

### Schedule of Expenditures — Program Fund

for the year ended June 30, 1986

### Exhibit 4

### Schedule 1

	1986	1985
<b>Advertising and Promotion:</b>		
Advertising .....	\$ 559	\$ 346
<b>Course Costs:</b>		
Agency payments .....	53,663	8,484
Reference and library books .....	46,207	51,077
In-service training .....	900	1,075
Instructional materials and supplies .....	42,117	69,087
Research and consultation .....	9,639	743
Capital expenditures .....	68,567	6,237
Other .....	23	2,969
Training allowance .....	24,250	9,085
	<u>245,366</u>	<u>148,757</u>
<b>Program Office Expenses:</b>		
Dues and subscriptions .....	470	364
Licences, taxes and insurance .....	1,395	309
Telephone and telecommunications .....	7,527	5,154
Utilities and services .....	40,417	38,191
Freight .....	6,604	10,957
Other .....	270	2,278
	<u>56,683</u>	<u>57,253</u>
<b>Rentals:</b>		
Grounds and buildings .....	31,291	29,066
Automobiles .....	1,859	1,350
Instructional equipment .....	38,450	38,805
Office equipment .....	4,342	2,229
	<u>75,942</u>	<u>71,450</u>
<b>Repairs and Maintenance:</b>		
Building and structures .....	55,911	33,120
Equipment .....	1,234	2,226
	<u>57,145</u>	<u>35,346</u>
<b>Salaries and Employee Benefits:</b>		
Salaries — Janitorial .....	12,746	13,373
— Instructors .....	296,913	396,608
— Other .....	5,516	48
Employee benefits .....	15,211	19,151
	<u>330,386</u>	<u>429,180</u>
<b>Travel Expenses:</b>		
Travel and conferences — Instructors .....	23,343	19,949
— Trainees .....	91,457	50,949
Field trips .....	12,329	5,502
	<u>127,129</u>	<u>76,400</u>
	<u>\$ 893,210</u>	<u>\$ 818,732</u>

The accompanying notes are an integral part of these financial statements.

## Westside Community College

### Schedule of Expenditures — Training Centre Fund for the year ended June 30, 1986

### Exhibit 4 Schedule 2 1985

#### Expenditures:

	1986	1985
Salaries and employee benefits .....	\$ 252,788	\$ 253,998
Rent .....	99,907	88,253
Repairs and maintenance .....	24,213	49,115
Residence materials and supplies .....	2,656	8,127
Groceries .....	73,294	57,235
Travel .....	2,067	2,945
Utilities .....	25,944	17,288
Phone .....	2,715	5,253
Freight .....	1,542	2,683
Office .....	1,942	6,564
Legal and audit .....	2,460	2,550
Training .....	.....	295
Recreation supplies .....	1,460	4,315
Capital expenditures .....	569	25,252
	<u>\$ 491,557</u>	<u>\$ 523,873</u>

The accompanying notes are an integral part of these financial statements.

## Westside Community College

### Schedule of Expenses — Administration Fund for the year ended June 30, 1986

### Exhibit 4 Schedule 3

	1986	1985
<b>Administration and Program Support:</b>		
Advertising and promotion .....	\$ 1,709	\$ 4,255
Instructional materials .....	23,586	20,394
Board of Directors — Honorarium .....	9,850	9,650
— Travel .....	16,912	27,194
— Memberships and other .....	4,634	6,979
Contact Committee — honorarium and travel .....	6,209	3,029
Staff development .....	1,698	1,935
Bank charges and interest .....	2,371	1,791
Subscriptions .....	743	1,066
Insurance .....	14,627	14,011
Taxes .....	1,247	1,506
Postage .....	3,717	3,161
Office supplies .....	7,352	16,070
Telephone .....	17,634	17,978
Utilities .....	11,445	10,634
Freight .....	635	772
Legal and audit .....	6,734	6,420
Consulting .....	7,733	.....
Rentals .....	28,576	30,583
Building repairs .....	9,192	12,008
Equipment repairs .....	2,184	477
Vehicle expenses .....	25,655	21,387
Travel .....	34,905	44,554
Instructional contract .....	9,423	19,325
	<u>248,771</u>	<u>275,179</u>
<b>Personnel:</b>		
Salaries — Administrative staff .....	119,821	103,273
— Program support .....	203,077	156,731
— Janitorial .....	7,271	13,570
Employee benefits .....	29,719	25,100
	<u>359,888</u>	<u>298,674</u>
<b>Other Sponsored Programs:</b>		
Advertising and promotion .....	1,070	539
Phone .....	877	.....
Facility operation .....	.....	4,562
Freight .....	122	.....
Rentals .....	25,900	10,437
Repairs and maintenance .....	375	455
Research and consultation .....	6,428	4,336
Salaries .....	76,964	49,744
Employee benefits .....	4,918	1,682
Supplies and stationery .....	5,636	.....
Travel .....	69,754	58,369
Training .....	6,125	3,552
Utilities .....	926	.....
Reference materials .....	2,676	1,133
Administration .....	.....	2,500
Vehicle .....	4,235	.....
	<u>206,006</u>	<u>137,309</u>
	<u>\$ 814,665</u>	<u>\$ 711,162</u>

The accompanying notes are an integral part of these financial statements.

## Westside Community College

### Balance Sheet — Capital Fund

Exhibit 5

June 30, 1986

	1986	1985
<b>Assets</b>		
Land .....	\$ 500	\$ 500
Buildings .....	268,323	255,036
Equipment .....	130,930	104,539
Furniture and fixtures .....	40,598	43,523
Automotive .....	85,828	85,828
	526,179	489,426
Less — Accumulated depreciation .....	314,294	282,488
	<u>\$ 211,885</u>	<u>\$ 206,938</u>
<b>Fund Surplus</b>		
Balance, beginning of the year .....	\$ 206,938	\$ 224,418
Plus contributions (Note 2):		
Administration Fund .....	44,678	24,966
Proceeds from disposal .....	4,539	.....
Insurance proceeds .....	3,616	.....
	52,833	24,966
Less — Disposals .....	6,800	.....
— Provision for depreciation .....	41,086	42,446
	47,886	42,446
Balance, end of the year .....	<u>\$ 211,885</u>	<u>\$ 206,938</u>

The accompanying notes are an integral part of these financial statements.

## Westside Community College

### Notes to the Financial Statements

for the year ended June 30, 1986

### Exhibit 6

#### 1. Significant Accounting Policies:

##### Depreciation —

Depreciation is recorded on the declining balance basis at the following rates:

Building	5%
Equipment, furniture and fixtures	20%
Automotive	30%

##### Fixed Assets —

	1986		1985	
	Cost	Accumulated Depreciation	Net	Net
Land .....	\$ 500	\$ .....	\$ 500	\$ 500
Buildings .....	268,323	152,444	115,879	111,141
Equipment .....	130,930	73,648	57,282	44,963
Furniture and fixtures .....	40,598	26,664	13,934	15,634
Automotive .....	85,828	61,538	24,290	34,700
	<u>\$ 526,179</u>	<u>\$ 314,294</u>	<u>\$ 211,885</u>	<u>\$ 206,938</u>

#### 2. Contribution to Fund Surplus:

Acquisition of fixed assets are charged as expenditures in the operating fund of the college.

The following additions and disposals of fixed assets were incurred during the 1986 fiscal period:

##### Additions:

Building — office addition .....	\$ 20,882
Equipment — Marking board .....	528
— Computer .....	26,369
	<u>26,897</u>
Furniture and Fixtures — Filing cabinets (3) .....	1,914
— Trailer furniture .....	3,139
	<u>5,053</u>
Total Additions .....	<u>\$ 52,832</u>

##### Disposals:

Trailer — (Proceeds \$4,539) — Net book value .....	\$ 3,270
Equipment — (Insurance \$345) — Net book value .....	259
Furniture and Fixtures — (Insurance \$3,271) — Net book value .....	3,271
Total Disposals .....	<u>\$ 6,800</u>



## Cattle Marketing Deductions Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the statement of receipts and payments of the Cattle Marketing Deductions Fund for the year ended March 31, 1987. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the statement of receipts and payments presents fairly the cash position of the fund as at March 31, 1987 and its receipts and payments for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
July 15, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Statement of Receipts and Payments

Year Ended March 31, 1987

(with comparative figures at March 31, 1986)

	1987	1986
<b>Receipts</b>		
Collections under sections 3 and 4 of The Cattle Marketing Deductions Act and regulations	\$ 523,799	\$ 500,940
Less: Commissions on collections	20,676	19,678
	503,123	481,262
Bank and investment interest	38,732	36,337
Total receipts	541,855	517,599
<b>Payments</b>		
Grants (Schedule 1)	474,793	377,057
Advisory Committee expenses	2,375	1,999
Refund of deductions	8,754	12,418
Total payments	485,922	391,474
Excess of receipts over payments	55,933	126,125
Total cash and investments, beginning of year	460,357	334,232
Total cash and investments, end of year	\$ 516,290	\$ 460,357

(See accompanying notes to the financial statements)

### Notes to Financial Statement

March 31, 1987

#### 1. Accounting Policy

- These financial statements are prepared on a cash basis, whereby revenues are recorded as collected and expenditures are charged to the accounts as payments are made. Accordingly, the financial position of the fund at March 31, 1987, does not include accounts receivable of \$85,750 (1986 — \$89,768), accrued interest receivable of \$3,135 (1986 — \$807), commissions payable of \$3,430 (1986 — \$3,591), and accounts payable of \$3,500 (1986 — \$89).
- The fund has not been charged with occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Agriculture.

#### 2. Legislative Authority

- Pursuant to the provisions of The Cattle Marketing Voluntary Deductions Amendment Act, 1983 proclaimed into force August 29, 1983, the Cattle Marketing Voluntary Deductions Act Trust Fund was continued as the Cattle Marketing Deductions Fund and the assets and liabilities of the Cattle Marketing Voluntary Deductions Act Trust Fund were deemed to be the assets and liabilities of the fund.
- The fund is administered by an Advisory Committee established under the Act who authorize all expenditures from the fund subject to the approval of the Minister of Agriculture.

## Cattle Marketing Deductions Fund

### Schedule of Grants

Year Ended March 31, 1987

	1987	Schedule 1 1986
Saskatchewan Stock Grower's Association in respect of the Saskatchewan Beef Information Centre .....	\$ 6,200	\$ 3,500
Canadian Cattlemen's Association in support of National Beef Information Centre .....	193,773	95,250
Canadian Cattlemen's Association in support of the National Advertising Campaign .....	133,260	117,500
Veterinary Infectious Disease Organization .....	50,000	50,000
Saskatchewan Artificial Breeders Association .....	24,625	56,207
Saskatchewan Cattle Feeders' Association .....	7,085	.....
University of Saskatchewan — Animal and Poultry Science .....	50,000	54,250
Saskatchewan Agriculture Hall of Fame .....	350	350
Dr. Andrew Schmitz .....	9,500	.....
	<u>\$ 474,793</u>	<u>\$ 377,057</u>

## Horned Cattle Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the balance sheet of the Horned Cattle Fund as at March 31, 1987 and the statements of revenue, expenditure and operating surplus and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
July 15, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

March 31, 1987

(with comparative figures at March 31, 1986)

### Statement 1

#### Assets

##### Current:

	1987	1986
Cash .....	\$ 75,936	\$ 37,447
Marketable securities, at cost which approximates market .....	198,923	138,558
Accrued interest receivable .....	38	1,392
Inventory of cattle (Note 3) .....	510,407	397,068
	<u>\$ 785,304</u>	<u>\$ 574,465</u>

#### Liabilities and Operating Surplus

##### Current Liabilities:

Accounts payable .....	\$ 4,085	\$ 755
Operating surplus — Statement 2 .....	781,219	573,710
	<u>\$ 785,304</u>	<u>\$ 574,465</u>

(See accompanying notes to the financial statements)

## Horned Cattle Fund

### Statement of Revenue, Expenditure and Operating Surplus

Year Ended March 31, 1987

(with comparative figures for the previous year)

### Statement 2

	1987	1986
Revenue		
Collections under Section 3 and 4 of The Horned Cattle Purchases Act ...	\$ 206,492	\$ 196,965
Less: Commission on collections .....	20,630	19,624
	185,862	177,341
Revenue from Pathlow Beef Project (Note 3) .....	335,780	190,816
Miscellaneous revenue .....	2,400	3,918
Bank and investment interest .....	17,598	11,972
Total revenue .....	541,640	384,047
Expenditure		
Grants (Schedule 1) .....	102,997	174,482
Pathlow Beef Research Project — operating costs .....	227,375	199,264
Department of Agriculture — The Horned Cattle Purchases Act		
Advisory Committee — meeting expenses .....	3,759	3,205
Total expenditure .....	334,131	376,951
Excess of revenue over expenditure .....	207,509	7,096
Operating surplus, beginning of year .....	573,710	566,614
Operating surplus, end of year .....	\$ 781,219	\$ 573,710

(See accompanying notes to the financial statements)

### Statement of Changes in Financial Position

Year Ended March 31, 1987

(with comparative figures for the previous year)

### Statement 3

	1987	1986
Cash provided by operating activities:		
Excess revenue over expenditure .....	\$ 207,509	\$ 7,096
Net change in non-cash working capital balances related to operations* ..	(108,655)	(1,594)
Total cash provided by operating activities .....	98,854	5,502
Cash position at beginning of year .....	176,005	170,503
Cash position at end of year .....	\$ 274,859	\$ 176,005
Cash position comprises cash and marketable securities		
*Accrued interest receivable .....	\$ 1,354	\$ (306)
Inventory .....	(113,339)	1,992
Accounts payable .....	3,330	(3,280)
	\$ (108,655)	\$ (1,594)

(See accompanying notes to the financial statements)

## Horned Cattle Fund

### Notes to Financial Statements

March 31, 1987

#### 1. Accounting Policy

- (a) The financial statements of the Horned Cattle Fund are prepared on a modified accrual basis of accounting where revenue and expenditures are accounted for on an accrual basis, except as follows: Collections and grant payments under The Horned Cattle Purchases Act are recognized in the accounts on a cash basis. Accordingly, accounts receivable of \$33,418 (1986 — \$32,595) and commissions payable of \$3,342 (1986 — \$3,260) are not included in this statement.
- (b) The Fund has not been charged with any occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Agriculture.
- (c) Cattle inventory is valued at approximate realizable value at the fiscal year end. (Note 3)

#### 2. Legislative Authority

Pursuant to the provisions of The Horned Cattle Purchases Amendment Act, 1983 proclaimed into force October 1, 1983, the Horned Cattle Trust Fund was continued as the Horned Cattle Fund and the assets and liabilities of the Horned Cattle Trust Fund are deemed to be the assets and liabilities of the Fund.

The purpose of this Fund is to promote research and development in the livestock industry.

#### 3. Inventory of Cattle

In view of the difficulty which exists in assigning on a rational basis the costs of production to animals at various stages of maturity and since the correlation between costs and revenue is not nearly as close as in most businesses, the inventory of cattle held in connection with the Pathlow Beef Research Project has been valued at approximate realizable value at the fiscal year end. The corresponding changes in inventory from one year to the next have been described as Appreciation (decline) in value of opening herd.

#### Revenue from Pathlow Beef Project

	1987	1986
Cattle sales and natural increase in herd	\$ 222,441	\$ 210,775
Appreciation (decline) in value of opening herd	113,339	(19,959)
Total revenue	<u>\$ 335,780</u>	<u>\$ 190,816</u>

### Schedule of Grants

Year Ended March 31, 1987

(with comparative figures for the previous year)

### Schedule 1

	1987	1986
Western College of Veterinary Medicine	\$ 5,000	\$ 45,250
Canadian Western Agribition Association	35,000	35,000
Biosystems Consulting Ltd. (Black Fly Project)	1,000	24,000
Saskatchewan Holstein-Friesian Association	12,000	12,000
University of Saskatchewan (Department of Animal and Poultry Science)	31,500	15,370
Ag. Canada Melfort Research Station	(552)	552
Melfort Agricultural Society	17,560	17,560
Perdue Agricultural Society	.....	2,750
Saskatchewan Hereford Association	.....	2,000
Saskatchewan Artificial Breeders Co-operative	.....	20,000
Alpine — Agro Ltd.	1,489	.....
	<u>\$ 102,997</u>	<u>\$ 174,482</u>

(See accompanying notes to the financial statements)



## Assurance Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the balance sheet of the Assurance Fund as at March 31, 1987 and the statement of receipts, payments and transfers to Consolidated Fund for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the fund as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
September 28, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As at March 31, 1987

### Statement 1

	1987	1986
<b>Assets</b>		
Cash .....	\$ 2,719	\$ 2,719
10 <sup>3</sup> / <sub>4</sub> % Province of Saskatchewan, Debentures, December 21, 1988 at cost (market value — \$78,188 1986 — \$77,288) .....	72,281	72,281
	<u>\$ 75,000</u>	<u>\$ 75,000</u>
<b>Liabilities and Fund Balance</b>		
Fund balance (Note 4) .....	\$ 75,000	\$ 75,000

(See accompanying notes to the financial statements)

### Statement of Receipts, Payments and Transfers to Consolidated Fund

Year Ended March 31, 1987

### Statement 2

	1987	1986
<b>Receipts:</b>		
Fees: Land Titles Registration District (Note 3)		
— Battleford .....	\$ 9,411	\$ 8,576
— Humboldt .....	4,970	5,114
— Moose Jaw .....	8,288	6,848
— Prince Albert .....	13,656	10,636
— Regina .....	39,685	30,442
— Saskatoon .....	33,199	29,885
— Swift Current .....	7,024	6,482
— Yorkton .....	4,857	4,698
	<u>121,090</u>	<u>102,681</u>
<b>Other:</b>		
Interest .....	8,063	8,063
Claim recovery .....	2,930	6,327
Other .....	62	721
Total receipts .....	<u>\$ 132,145</u>	<u>\$ 117,792</u>
<b>Payments:</b>		
Claims incurred (Note 2(b)) .....	5,018	44,085
Total Payments .....	<u>5,018</u>	<u>44,085</u>
Transfers to Consolidated Fund (Note 4) .....	<u>\$ 127,127</u>	<u>\$ 73,707</u>

(See accompanying notes to the financial statements)

## Assurance Fund

### Notes to Financial Statements

March 31, 1987

#### 1. Accounting Policy

- (a) The Assurance Fund has adopted the modified cash basis of accounting wherein revenue is recorded as collected and expenditures are recorded when payments are made except that revenue of the current fiscal year received prior to April 30 of the next fiscal year is recorded as revenue of the period, and expenditures for goods or services rendered before March 31 and paid before April 30 of the next fiscal year are recorded as expenditures for the period.
- (b) The fund has not been charged with occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Justice.

#### 2. Legislative Authority

- (a) The fund was established pursuant to Section 106 of The Territories Real Property Act, the Statutes of Canada, 1886, and pursuant to Section 236 of The Land Titles Act is held by the Minister of Finance as trust moneys.
- (b) The fund, in accordance with the provisions of Sections 197 and 198 of The Land Titles Act, is used to pay the amount of any judgement recovered against the registrar by any person who sustained a loss or damage, through an omission, mistake or misfeasance of the registrar or an official in his office in the execution of his duties.

#### 3. Fees

The Land Titles Fees Regulations (O.C. 1004/83), issued pursuant to Section 233 of The Land Titles Act, as amended by The Land Titles Amendment Act, 1981 which came into force August 1, 1983, provides that the fund shall receive 1% of all fees actually received by each registrar.

#### 4. Transfers to Consolidated Fund

Pursuant to the provisions in Section 236(3) of The Land Titles Act, the Lieutenant Governor in Council has directed that sums in excess of \$75,000 be transferred to and form part of the Consolidated Fund.

## Public Employees Disability Income Fund

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the statement of financial position of the Public Employees Disability Income Fund as at December 31, 1985 and the statement of revenue, expenditure and fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 2 to the financial statements on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
December 23, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Statement of Financial Position

As at December 31

### Statement 1

	1985	1984
<b>Assets</b>		
Cash .....	\$ 367,531	\$ 339,003
Short term investments .....	1,186,031	1,078,346
Investments (Note 3) .....	10,063,005	7,769,794
Accounts receivable .....	542,044	887,552
<b>Total Assets</b> .....	<b>\$ 12,158,611</b>	<b>\$ 10,074,695</b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities:</b>		
Accounts payable .....	\$ 116,685	\$ 84,131
Fund balance (Note 4) (Statement 2) .....	12,041,926	9,990,564
<b>Total Liabilities and Fund Balance</b> .....	<b>\$ 12,158,611</b>	<b>\$ 10,074,695</b>

(See accompanying notes to the financial statements)

### Statement of Revenue, Expenditure and Fund Balance

Year Ended December 31

### Statement 2

	1985	1984
<b>Insurance Operations</b>		
<b>Revenue:</b>		
Premiums .....	\$ 3,626,942	\$ 3,531,968
<b>Expenses:</b>		
Benefit payments .....	2,436,733	2,154,448
Administration .....	82,633	73,245
Other .....	773	1,014
	<u>2,520,139</u>	<u>2,228,707</u>
<b>Insurance operations surplus</b> .....	<b>1,106,803</b>	<b>1,303,261</b>
<b>Investment Operations</b>		
<b>Revenue:</b>		
Investment income .....	925,977	729,717
Gains (losses) on the sale of investments .....	60,305	63,065
	<u>986,282</u>	<u>792,782</u>
<b>Expenses:</b>		
Investment management fees .....	37,610	33,092
Other .....	4,113	4,900
	<u>41,723</u>	<u>37,992</u>
<b>Investment operations surplus</b> .....	<b>944,559</b>	<b>754,790</b>
<b>Total surplus from operations</b> .....	<b>2,051,362</b>	<b>2,058,051</b>
<b>Fund balance, beginning of year</b> .....	<b>9,990,564</b>	<b>7,932,513</b>
<b>Fund balance, end of year — to Statement 1</b> .....	<b>\$ 12,041,926</b>	<b>\$ 9,990,564</b>

(See accompanying notes to the financial statements)

## Public Employees Disability Income Fund

### Notes to The Financial Statements

December 31, 1985

#### 1. Description of the Fund

The Public Employees Disability Income Fund is a special purpose fund used to account for the Disability Income Plan established under Section 31(2) of The Department of Revenue and Financial Services Act. This Plan came into effect December 1, 1979 and is managed by the Public Employees Benefits Agency. It provides certain public sector employees of the Province of Saskatchewan with a level of income protection during periods of occupational or total disability.

The Plan is administered under the terms of an agreement with The Mutual Life Assurance Company of Canada.

#### 2. Significant Accounting Policies

##### a) Basis of Accounting

The accrual basis of accounting has been utilized in the preparation of these financial statements except as described in Note 2(b).

##### b) Investments

Investments are recorded at cost. Premiums and discounts on the purchase of bonds are not amortized. Gains or losses realized upon the sale of investments are recorded in the period of disposition.

#### 3. Investments

	1985		1984	
	Cost	Market	Cost	Market
Stocks .....	\$ 3,173,942	\$ 3,800,349	\$ 2,783,356	\$ 2,726,614
Bonds .....	6,889,063	7,559,788	4,986,438	5,051,869
Total .....	<u>\$ 10,063,005</u>	<u>\$ 11,360,137</u>	<u>\$ 7,769,794</u>	<u>\$ 7,778,483</u>

#### 4. Fund Balance

This represents the accumulated excess of premiums and investment income earned over expenditures for claims and other expenses that, together with future contributions and earnings, is available to provide for the payment of benefits to participants.

#### 5. Related Party Transactions

Pursuant to Section 31 of The Department of Revenue and Financial Services Act, certain costs of administering the Plan are borne by the Consolidated Fund. These costs are not reflected in these statements.

#### 6. Actuarial Valuation

An actuarial study has not been commissioned to estimate the amount of reserves required by the Plan as at December 31, 1985 or to estimate the premiums required to meet future obligations to Plan members.

## Public Employees Group Life Insurance Fund

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the statement of financial position of the Public Employees Group Life Insurance Fund as at December 31, 1985 and the statement of revenue, expenses and fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I consider necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1985 and the results of its operations and its changes in financial position for the year then ended in accordance with the accounting principles disclosed in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
November 30, 1987, except as  
to Note 6 which is as of January 8, 1988.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Statement of Financial Position

As At December 31

### Statement 1

	1985	1984
<b>Assets</b>		
Cash .....	\$ 146,146	\$ 87,250
Short-term investments .....	896,089	491,576
Investments (Note 3) .....	7,543,782	7,011,877
Accounts receivable .....	462,745	1,243,009
<b>Total Assets</b> .....	<b>\$ 9,048,762</b>	<b>\$ 8,833,712</b>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts payable .....	\$ 972,217	\$ 421,970
Claims payable (Note 6) .....	1,603,222	1,100,898
<b>Total Liabilities</b> .....	<b>2,575,439</b>	<b>1,522,868</b>
Fund balance (Note 5) (Statement 2) .....	6,473,323	7,310,844
<b>Total Liabilities and Fund Balance</b> .....	<b>\$ 9,048,762</b>	<b>\$ 8,833,712</b>

(See accompanying notes to financial statements)



## Public Employees Group Life Insurance Fund

### Statement of Revenue, Expenses and Fund Balance

For the Year Ended December 31

### Statement 2

	1985	1984
<b>Insurance Operations</b>		
Revenue:		
Premiums .....	\$ 5,275,284	\$ 6,106,435
Interest Income .....	42,602	46,716
	<u>5,317,886</u>	<u>6,153,151</u>
Expenses:		
Claims (Note 6) .....	6,668,727	5,996,435
Premium taxes .....	127,308	116,786
Retention charges .....	80,379	78,474
	<u>6,876,414</u>	<u>6,191,695</u>
Insurance Operations Deficit .....	<u>(1,558,528)</u>	<u>(38,544)</u>
<b>Investment Operations</b>		
Revenue:		
Investment income .....	691,948	595,824
Gain (loss) on sale of investments .....	93,308	61,333
	<u>785,256</u>	<u>657,157</u>
Expenses:		
Interest .....	24,041	36,042
Investment management fees .....	37,012	35,403
Other investment expenses .....	3,196	—
	<u>64,249</u>	<u>71,445</u>
Investment Operations Surplus .....	<u>721,007</u>	<u>585,712</u>
Total (Deficit) Surplus from Operations .....	<u>(837,521)</u>	<u>547,168</u>
Fund Balance, beginning of year .....	7,310,844	6,763,676
Fund Balance, end of year — to Statement 1 .....	<u>\$ 6,473,323</u>	<u>\$ 7,310,844</u>

(See accompanying notes to financial statements)

## Public Employees Group Life Insurance Fund

### Notes to the Financial Statements

December 31, 1985

#### 1. Description of the Plan

The Public Employees Group Life Insurance Fund is a special purpose fund used to account for the Group Life Insurance Plan established under Section 31(2) of The Department of Revenue and Financial Services Act.

This plan is managed by the Public Employees Benefits Agency and provides comprehensive Life Insurance coverage to certain members of the public service of the Province of Saskatchewan. The plan is administered under the terms of a policy issued by Mutual Life Assurance Company of Canada.

#### 2. Significant Accounting Policies

##### (a) Basis of Accounting

The accrual basis of accounting has been utilized in the preparation of these financial statements except as described in Note 2(b).

##### (b) Investments

Investments are recorded at cost. Premiums and discounts on purchase of bonds are not amortized. Gains or losses realized upon the sale of investments are recorded in the period of disposition.

#### 3. Investments

	1985		1984	
	<i>Cost</i>	<i>Market</i>	<i>Cost</i>	<i>Market</i>
Stocks .....	\$ 2,625,315	\$ 3,368,533	\$ 2,787,160	\$ 2,885,076
Bonds .....	4,918,467	5,361,345	4,224,717	4,274,376
Total .....	<u>\$ 7,543,782</u>	<u>\$ 8,729,878</u>	<u>\$ 7,011,877</u>	<u>\$ 7,159,452</u>

#### 4. Related Party Transactions

Pursuant to section 31 of The Department of Revenue and Financial Services Act, certain costs of administering the plan are borne by the Consolidated Fund. These costs are not reflected in the accompanying financial statements.

#### 5. Fund Balance

The Fund Balance represents the accumulated excess of premiums and investment income earned over expenditures for claims and other expenses.

In accordance with insurance industry practice, certain amounts are normally designated as reserves within the Fund Balance. Reserves are designated to provide for both unexpected fluctuations in experience from year to year and future liabilities associated with those individuals who have qualified for the waiver of premium benefit.

In the past, the Public Employees Benefits Agency estimated the value of these reserves using generally accepted methods established by the insurance industry. Information pertaining to the establishment of the current years reserves was unavailable to the Agency at the time of the financial statement preparation. An actuarial study is required to determine the current year's reserve for those individual's who have qualified for the waiver of premium benefit.

#### 6. Unusual Items

Management of the Public Employees Group Life Insurance Fund was notified by the Excelsior Life Insurance Company on December 22, 1985 that certain claim payments relating to the 1980-82 calendar years had been erroneously excluded from their annual reports. Excelsior Life determined the amount of unrecorded claims and accrued interest to be \$514,999.94 at December 31, 1985.

Litigation ensued subsequent to the balance sheet date and management of the Fund attended trial on this matter on September 23, 1987. The Judgement was released on December 21, 1987 and ruled in favour of the Excelsior Life Insurance Company for the full amount claimed at December 31, 1985, together with accrued interest at a rate of 7.46% per annum to the date of settlement.

The current year's financial statements have been adjusted by \$514,999.94 to reflect the Fund's liability at the balance sheet date.

## Social Services Central Trust Account

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the statement of financial position of the Social Services Central Trust Account as at March 31, 1987 and the statements of revenue, expenditure and trust balance and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the trust account as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
October 29, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Statement of Financial Position

At March 31

### Statement 1

	1987	1986
<b>Assets</b>		
Cash .....	\$ 4,492	\$ 5,536
Marketable securities at par — Note 1(b) (market value — 1987 — \$22,253; 1986 — \$21,016) .....	23,000	23,000
Accrued interest .....	312	349
	<u>\$ 27,804</u>	<u>\$ 28,885</u>
<b>Liabilities</b>		
Trust Accounts (Statement 2):		
Armour Estate — Note 3 .....	\$ 8,216	\$ 8,761
Family and youth allowance account .....	18,220	18,338
Unmarried parents' account .....	469	455
Ward trust account .....	899	1,331
	<u>\$ 27,804</u>	<u>\$ 28,885</u>

(See accompanying notes to the financial statements)

## Social Services Central Trust Account

### Statement of Revenue, Expenditure and Trust Balance Year Ended March 31

### Statement 2

	1987	1986
<b>Armour Estate</b>		
Revenue		
— Interest distribution (Note 1(c))	\$ 400	\$ 458
— Other	.....	.....
— Estate revenue	.....	1,500
	<u>400</u>	<u>1,958</u>
Expenditure		
— To or on behalf of children's institutions	945	1,023
Increase (decrease) in trust account	(545)	935
Balance, beginning of year	8,761	7,826
Balance — end of year to Statement 1	<u>\$ 8,216</u>	<u>\$ 8,761</u>
<b>Family and Youth Allowance Account</b>		
Revenue		
— Interest distribution (Note 1(c))	\$ 958	\$ 917
Expenditure		
— Spending money and extra items for wards and payments to parents and wards on discharge	1,076	109
Increase (decrease) in trust account	(118)	808
Balance, beginning of year	18,338	17,530
Balance, end of year to Statement 1	<u>\$ 18,220</u>	<u>\$ 18,338</u>
<b>Unmarried Parents' Account</b>		
Revenue		
— Interest distribution (Note 1(c))	\$ 24	\$ 23
Expenditure		
— Payments to mothers	10	12
Increase (decrease) in trust account	14	11
Balance, beginning of year	455	444
Balance, end of year to Statement 1	<u>\$ 469</u>	<u>\$ 455</u>
<b>Ward Trust Account</b>		
Revenue		
— Interest distribution (Note 1(c))	\$ 57	\$ 66
Expenditure		
— To parents on discharge	489	.....
Increase (decrease) in trust account	(432)	66
Balance, beginning of year	1,331	1,265
Balance, end of year to Statement 1	<u>\$ 899</u>	<u>\$ 1,331</u>

(See accompanying notes to the financial statements)

## Social Services Central Trust Account

### Statement of Changes in Financial Position

Year Ended March 31

### Statement 3

	1987	1986
Cash provided by (used in) operating activities:		
Excess of Revenue over Expenditure (Expenditure over Revenue)		
Armour Estate .....	\$ (545)	\$ 935
Family and Youth Allowance Account .....	(118)	808
Unmarried Parents' Account .....	14	11
Ward Trust Account .....	(432)	66
Total Excess of Revenue over Expenditure (Expenditure over Revenue) ....	(1,081)	1,820
Changes in non-cash working capital:		
(Increase) Decrease in Accrued Interest .....	37	17
Net change in non-cash working capital .....	37	17
Cash provided by (used in) operating activities .....	(1,044)	1,837
Cash position at beginning of year .....	5,536	3,699
Cash position at end of year .....	\$ 4,492	\$ 5,536
Represented by:		
Cash .....	\$ 4,492	\$ 5,536

(See accompanying notes to the financial statements)

### Notes to Financial Statements

March 31, 1987

#### 1. Accounting Policies

##### (a) Basis of Accounting

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end which are incurred prior to year-end are recorded as paid in the previous year.

##### (b) Investments

Investments are valued at par, the premiums and discounts having been written off at the date of acquisition. The acquisition of investments is made with the approval of the Investment Board.

##### (c) Interest Distribution

Interest received is credited on June 30 and December 31 to each beneficial interest in the trust account in proportion to its balance in the trust account at those dates.

##### (d) Dormant Accounts

The department has followed the practice whereby upon discharge, if the whereabouts of the children are unknown, the balances in their trust accounts may, after one year, be divided among the other members of the family, if they are in the care of the department. If there are no other children of the same family in the care of the department, the balances of the trust monies are divided among the other children in care.

All moneys belonging to Government wards, except family allowance payments, which have been lying dormant for six years are paid over to the Minister of Finance for deposit to the consolidated fund as budgetary revenue.

#### 2. Related Party Transactions

In accordance with established government practice, the Trust Account has not been charged with any occupancy costs and no provision for such costs is reflected in these statements. These costs, together with certain general administrative and employee benefit costs, are absorbed by various departmental appropriations.

#### 3. Armour Estate

Under Section 15 of The Department of Social Services Act, R.S.S. 1978 "the minister may accept grants ... bequests for the purposes of the department and shall administer the same, subject to the terms of any trust imposed by the donor or testator thereof, for the purposes of the department." In accordance with the foregoing, the department has assumed administration of the Armour Estate from the Department of Finance. This estate was bequeathed to the Regina Children Home in 1929.

#### 4. Statutory Authority

Pursuant to Section 13 of The Department of Social Services Act, Chapter D-23, R.S.S. 1978, the Social Services Central Trust Account was established for the purpose of receiving and disbursing monies for the benefit of individuals established as wards of the Government.



## Social Services General Trust Account

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the statement of financial position of the Social Services General Trust Account as at March 31, 1987 and the statements of revenue, expenditure and trust balance and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the trust account as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
October 29, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Statement of Financial Position

At March 31

### Statement 1

	1987	1986
<b>Assets</b>		
Cash .....	\$ 2,084	\$ .....
Accounts receivable .....	.....	325
Accrued interest .....	195	61
	<u>\$ 2,279</u>	<u>\$ 386</u>
<b>Liabilities</b>		
Bank Overdraft .....	\$ .....	\$ 233
Trust Accounts (Statement 2):		
Estates of deceased geriatric patients .....	167	11
Saskatchewan Assistance Plan recipients .....	2,112	142
Private donations .....	.....	.....
	<u>\$ 2,279</u>	<u>\$ 386</u>

(See accompanying notes to the financial statements)

## Social Services General Trust Account

### Statement of Revenue, Expenditure and Trust Balance

Year Ended March 31

### Statement 2

	1987	1986
<b>Estates of Deceased Geriatric Patients</b>		
Revenue		
— Provincial special care homes .....	\$ 23,676	\$ 578
— Interest distribution (Note 1(b)) .....	39	4
	<u>23,715</u>	<u>582</u>
Expenditure		
— Beneficiaries and administrators of estates .....	23,559	571
Increase in trust account .....	156	11
Balance, beginning of year .....	11	.....
Balance, end of year to Statement 1 .....	<u>\$ 167</u>	<u>\$ 11</u>
<b>Saskatchewan Assistance Plan Recipients</b>		
Revenue		
— Department of Social Services .....	\$ 1,729,093	\$ 1,126,189
— Interest distribution (Note 1(b)) .....	474	139
	<u>1,729,567</u>	<u>1,126,328</u>
Expenditure		
— To or on behalf of recipients .....	1,727,597	1,126,286
Increase in trust account .....	1,970	42
Balance, beginning of year .....	142	100
Balance, end of year to Statement 1 .....	<u>\$ 2,112</u>	<u>\$ 142</u>
<b>Private Donations</b>		
Revenue		
— Individuals .....	\$ 10,000	\$ 10,000
— Interest distribution (Note 1(b)) .....	136	.....
	<u>10,136</u>	<u>10,000</u>
Expenditure		
— To institutions .....	10,136	20,119
Increase (Decrease) in trust account .....	.....	(10,119)
Balance, beginning of year .....	.....	10,119
Balance, end of year to Statement 1 .....	<u>\$ .....</u>	<u>\$ .....</u>

(See accompanying notes to the financial statements)

## Social Services General Trust Account

### Statement of Changes in Financial Position

Year Ended March 31

### Statement 3

	1987	1986
Cash provided by (used in) operating activities:		
Excess of Revenue over Expenditure (Expenditure over Revenue)		
Estates of Deceased Geriatric Patients	\$ 156	\$ 11
Saskatchewan Assistance Plan Recipients	1,970	42
Private donations	.....	(10,119)
Total Excess of Revenue over Expenditure (Expenditure over Revenue)	2,126	(10,066)
Changes in non-cash working capital:		
(Increase) Decrease in Accounts Receivable	325	(325)
(Increase) Decrease in Accrued Interest	(134)	26
Net change in non-cash working capital	191	(299)
Cash provided by (used in) operating activities	2,317	(10,365)
Cash position at beginning of year	(233)	10,132
Cash position at end of year	\$ 2,084	\$ (233)
Represented by:		
Cash (Bank overdraft)	\$ 2,084	\$ (233)

(See accompanying notes to the financial statements)

### Notes to Financial Statements

March 31, 1987

#### 1. Accounting Policies

##### (a) Basis of Accounting:

The accounts are maintained on an accrual basis of accounting with the following modifications:

- i) Payments received within 30 days after the fiscal year-end which pertain to the previous year are recorded as received in the previous year.
- ii) Disbursements made within 30 days after the fiscal year-end which are incurred prior to year-end are recorded as paid in the previous year.

##### (b) Interest Distribution:

Interest received is credited on June 30 and December 31 to each beneficial interest in the trust account in proportion to its balance in the trust account at those dates.

#### 2. Related Party Transactions

##### Costs Borne by Other Agencies:

In accordance with established government practice, the Trust Account has not been charged with any occupancy costs and no provision for such costs is reflected in these statements. These costs, together with certain general administrative and employee benefit costs, are absorbed by various departmental appropriations.

#### 3. Statutory Authority

Pursuant to Section 13 of The Department of Social Services Act, Chapter D-23, R.S.S. 1978, the Social Services General Trust Account was established for the purpose of receiving and disbursing monies for the benefit of individuals receiving assistance or other services from the Department.

## Crop Reinsurance Fund of Saskatchewan

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the balance sheet of the Crop Reinsurance Fund of Saskatchewan as at March 31, 1987 and the statement of revenue, expenditure and balance of fund for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
August 6, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As at March 31

### Statement 1

	1987	1986
<b>Fund Balance</b>		
Due to Saskatchewan Crop Insurance Corporation (Note 3) .....	\$ 54,787,354	\$ 79,591,518
Balance of Fund (Statement 2) .....	(54,787,354)	(79,591,518)
	<u>\$ .....</u>	<u>\$ .....</u>

(See accompanying notes to the financial statements)

### Statement of Revenue, Expenditure and Balance of Fund

Year Ended March 31

### Statement 2

	1987	1986
<b>Revenue:</b>		
Premium ceded from Saskatchewan Crop Insurance Corporation —		
Insurance operation .....	\$ 24,804,164	\$ 23,163,593
<b>Expenditure:</b>		
Indemnities incurred .....	.....	95,834,735
Excess (deficit) of revenue over expenditure for the year .....	24,804,164	(72,671,142)
Balance of fund, beginning of year .....	(79,591,518)	(6,920,376)
Balance of fund, end of year (Statement 1) .....	<u>\$ (54,787,354)</u>	<u>\$ (79,591,518)</u>

(See accompanying notes to the financial statements)

## Crop Reinsurance Fund of Saskatchewan

### Notes to Financial Statements

March 31, 1987

#### 1. Accounting Policies

##### Premiums Ceded from Saskatchewan Crop Insurance Corporation — Insurance Operation

Under the terms of the agreement indicated in Note 2, the Saskatchewan Crop Insurance Corporation is required to pay premiums ceded into the Reinsurance Funds based on premiums received during the insurance year including the matching contributions made by the Province.

##### Liability for Claim Payments from the Reinsurance Funds

As provided for in the agreement, payments may be made out of the Reinsurance Funds under the following conditions:

- (1) Indemnities required to be paid in an insurance year would have to exceed the aggregate of:
  - a) the premium receipts for the year less reinsurance premiums ceded.
  - b) the balance in the Saskatchewan Crop Insurance Corporation — Insurance operation.
  - c) 2½% of the total liability under policies of insurance in force in the insurance year which would have to be paid by the Crop Reinsurance Fund of Saskatchewan or by the Province of Saskatchewan.
- (2) The balance of indemnities to be paid would be shared 75% by Canada and 25% by Saskatchewan out of the respective Reinsurance Funds.

#### 2. Status of the Fund

The Crop Insurance Agreement dated April 2, 1976 between the Governments of Saskatchewan and Canada, continued under Section 23 of The Crop Insurance Act, (as amended by a 1987 amending agreement) provides for the establishment of two reinsurance funds:

- i) The Crop Reinsurance Fund of Saskatchewan — which is administered by the Government of Saskatchewan, and
- ii) The Crop Reinsurance Fund of Canada for Saskatchewan — which is administered by the Government of Canada.

#### 3. Due to Saskatchewan Crop Insurance Corporation

The balance due to Saskatchewan Crop Insurance Corporation represents:

- a) the difference between the estimated premium ceded during the year and the actual calculated for the year based on the gross premium collected; and
- b) the difference between the estimated claim submitted by the reinsured based on the estimated indemnities payable and the actual reinsurance claims calculated at the year end.

The Province of Saskatchewan, pursuant to the agreement described in Note 2, has agreed to make interest free advances to the Crop Reinsurance Fund of Saskatchewan so that the Reinsurance Fund can meet its obligations to the Saskatchewan Crop Insurance Corporation.

#### 4. Balance in the Crop Reinsurance Fund of Canada for Saskatchewan

The balance in the Crop Reinsurance Fund of Canada for Saskatchewan as at March 31, 1987 was a deficit of \$121,414,345 (1986 deficit \$146,215,911).



## Farm Purchase Program Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the statement of receipts and payments of the Farm Purchase Program Fund for the year ended March 31, 1987. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, the statement of receipts and payments presents fairly the cash position of the fund as at March 31, 1987 and its receipts and payments for the year then ended in accordance with the accounting principles disclosed in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
July 24, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Statement of Receipts and Payments

For the year Ended March 31, 1987

	1987	1986
<b>Receipts</b>		
Appropriation — Heritage Fund — Agricultural Division (Note 1) . . . . .	\$ 9,024,789	\$ 8,270,999
Lease payments . . . . .	9,696,888	10,385,030
Penalties . . . . .	894,069	888,980
Interest on loans . . . . .	585,306	631,878
Interest on investments . . . . .	260,013	74,221
Total receipts . . . . .	<u>20,461,065</u>	<u>20,251,108</u>
<b>Payments</b>		
Interest (Note 1) . . . . .	20,159,663	20,181,331
Advertising . . . . .	41,745	38,896
Total payments . . . . .	<u>20,201,408</u>	<u>20,220,227</u>
Excess of receipts over payments . . . . .	259,657	30,881
Cash, beginning of year . . . . .	91,165	60,284
Cash, end of year . . . . .	<u>\$ 350,822</u>	<u>\$ 91,165</u>

(See accompanying notes to the financial statement)

## Farm Purchase Program Fund

### Notes to Financial Statements

March 31, 1987

#### 1. Legislative Authority

The Farm Purchase Program Fund was established April 1, 1983, pursuant to The Farm Purchase Program Act, which was assented to December 17, 1982.

##### (a) Receipts

Pursuant to Section 8(2) of this Act, the following receipts were placed to the credit of the fund:

- (i) lease payments on land formerly held by the Saskatchewan Land Bank Commission;
- (ii) penalties on arrears of lease payments;
- (iii) interest payments on loans for improvements made pursuant to section 22 of The Land Bank Act;
- (iv) penalties on arrears of interest payments;
- (v) interest earned on deposits or investments;
- (vi) sums appropriated by the Legislature for the purposes of the fund;
- (vii) advances from the Consolidated Fund.

##### (b) Payments

Pursuant to Section 8(3) of this Act, payments were made out of the fund for interest costs on debt incurred by the former Saskatchewan Land Bank Commission. These payments were made to the Consolidated Fund.

#### 2. Accounting Policies

- (a) These financial statements are prepared using a modified cash basis for a fiscal year commencing on April 1, and ending March 31. Receipts are recorded as received and payments are charged to the accounts when payments are made. In addition, receipts received in the 30 days of April, in respect of revenues raised up to March 31 of the preceding fiscal year, and payments made during the 30 days of April which are for goods and services received in the preceding fiscal year are reported as receipts and payments of the preceding fiscal year. Accordingly, the financial position of the fund at March 31, 1987 does not include the following items:

- (i) amount due from Department of Agriculture — Lands Branch — \$88,558 (1986 — \$162,625);
- (ii) accrued interest costs — \$6,834,817 (1986 — \$6,834,817);

- (b) The fund has not been charged with occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Agriculture.

#### 3. Advances

Pursuant to Section 8(4) of The Farm Purchase Program Act the fund receives advances from the Consolidated Fund as required for the purposes of the fund, subject to prescribed terms and conditions. Following is a summary of advances received and repayments:

	1987	1986
Advances .....	\$ 23,444,000	\$ 18,985,000
Repayments .....	23,444,000	18,985,000
	<u>\$ .....</u>	<u>\$ .....</u>

## Municipal Potash Tax Sharing Administration Board

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the statements of receipts, disbursements and fund balance of the Tax Distribution Fund and the General Administration Fund of the Municipal Potash Tax Sharing Administration Board for the year ended December 31, 1986. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
June 2, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Tax Distribution Fund

#### Statement of Receipts, Disbursements and Fund Balance

Year Ended December 31

#### Statement 1

	1986	1985
<b>Receipts:</b>		
Taxes received from taxing rural municipalities:		
Rocanville No. 151 .....	\$ 420,642	\$ 518,178
Spy Hill No. 152 .....	488,681	488,770
Pense No. 160 .....	263,785	269,682
Langenburg No. 181 .....	421,994	416,589
Usborne No. 310 .....	797,907	834,343
Colonsay No. 342 .....	451,902	456,571
Blucher No. 343 .....	954,335	429,821
Corman Park No. 344 .....	520,910	535,452
Vanscoy No. 345 .....	505,122	521,358
	<u>4,825,278</u>	<u>4,470,764</u>
Less amount allocated to the General Administration Fund (Note 2)		
— to Statement 2 .....	18,741	8,960
	<u>4,806,537</u>	<u>4,461,804</u>
Add fund balance, January 1 .....	.....	380
Amount available for distribution to participants .....	<u>4,806,537</u>	<u>4,462,184</u>
<b>Disbursements:</b>		
Payments to municipalities participating in municipal potash tax sharing:		
<i>Areas of Influence</i>	<i>Rural (Schedule 1)</i>	<i>Urban (Schedule 2)</i>
Pense .....	\$ 236,457	\$ 26,273
Esterhazy .....	1,193,407	132,601
Saskatoon .....		
Lanigan .....	2,896,019	321,780
	<u>4,806,537</u>	<u>4,462,184</u>
Fund balance, December 31 .....	<u>\$ .....</u>	<u>\$ .....</u>

(See accompanying notes to the financial statements)

## Municipal Potash Tax Sharing Administration Board

### General Administration Fund

#### Statement of Receipts, Disbursements and Fund Balance

#### Statement 2

Year Ended December 31

	1986	1985
Receipts:		
Allocation of tax receipts for administration purposes (Note 2)		
(Statement 1) .....	\$ 18,741	\$ 8,960
Interest received on funds invested temporarily .....	.....	308
	18,741	9,268
Disbursements:		
Office facilities — S.A.R.M. ....	4,000	3,800
Secretary's honorarium and meeting expenses .....	5,168	5,055
Audit fee .....	2,007	1,594
Board members' allowances:		
Per diem .....	320	440
Sustenance .....	495	772
Mileage .....	430	956
Fidelity bond premium .....	100	100
Stationery, supplies and postage .....	239	297
Sundry expenses .....	47	44
Bank charges .....	49	.....
	12,855	13,058
Excess of receipts over disbursements (disbursements over receipts) .....	5,886	(3,790)
Fund balance, January 1 .....	1,247	5,037
Fund balance, December 31 .....	\$ 7,133	\$ 1,247

Fund balance is comprised of cash in bank

(See accompanying notes to the financial statements)

### Notes to Financial Statements

December 31, 1986

#### 1. Basis of Accounting

The Board uses the cash basis of accounting to report the transactions of the Tax Distribution Fund and the General Administration Fund pursuant to Subsection 11(1) of The Municipal Tax Sharing (Potash) Act.

#### 2. Statutory Provisions

The Municipal Potash Tax Sharing Administration Board was established under Section 3 of The Municipal Tax Sharing (Potash) Act as the body responsible for administering that Act. Under provisions of the Act, taxes are levied by rural municipalities upon the potash mine assessments within each taxing municipality and remittances of such taxes are made to the Board. Disbursements to participating municipalities are made on the basis of formulae prescribed in regulations issued under Section 13 of the Act.

As at December 31, 1986 all levies for 1986 had been collected and remitted to the Board by taxing municipalities and disbursements made to participating municipalities accordingly. The levy for one mine, outstanding at December 31, 1985, was collected and remitted to the Board by the taxing municipality in January, 1986. The disbursements were then made to the participating municipalities. These amounts have been included in the 1986 financial statements.

#### 3. Administration Costs

The costs of administering the Act are payable from monies collected and remitted to the Board by taxing municipalities and for that purpose the regulations provide that the Board may allocate up to ½ of 1% of collections to the General Administration Fund subject to the provision that the General Administration Fund shall not at any time exceed \$15,000. In addition, interest earned on short term investments is required to be credited to the General Administration Fund. During 1986, the Board approved an allocation to the General Administration Fund of 4/10 of 1% (1985 — 2/10 of 1%) of taxes collected.

## Municipal Potash Tax Sharing Administration Board

## Tax Distribution Fund

## Payments made to Participating Rural Municipalities

For the Year Ended December 31

R.M. #	Name	1986			1985			Schedule 1
		Pense Area	Esterhazy Area	Saskatoon Lanigan Area	Pense Area	Esterhazy Area	Saskatoon Lanigan Area	
121	Moosomin .....	\$	38,678.23	\$	\$	41,048.54	\$	
122	Martin .....		11,884.37			12,473.31		
129	Bratt's Lake .....	1,937.18						
130	Redburn .....	23,609.35			2,371.95			
131	Baldon .....	10,351.79			26,626.30			
151	Rocanville .....				12,495.88			
152	Spy Hill .....		241,792.96			249,239.46		
153	Willowdale .....		318,717.27			346,304.51		
159	Sherwood .....		27,442.10			28,121.65		
160	Pense .....	9,262.13			10,180.25			
161	Moose Jaw .....	119,620.72			111,757.44			
181	Langenburg .....	48,066.22			53,481.17			
183	Fertile Belt .....		248,059.33			269,424.54		
189	Lumsden .....		217,592.06			238,807.23		
190	Dufferin .....							
191	Marquis .....	6,659.05			7,217.86			
211	Churchbridge .....	13,984.00			14,861.80			
213	Saltcoats .....	2,966.31			3,224.41			
279	Mount Hope .....		53,587.72			57,150.44		
280	Wreford .....		35,653.09			36,060.16		467.67
281	Wood Creek .....			538.93			13,406.44	13,406.44
283	Rosedale .....			15,449.31			2,338.33	2,338.33
309	Prairie Rose .....			2,530.38			779.44	779.44
310	Osborne .....			898.21			44,895.97	44,895.97
312	Morris .....			50,258.84			209,982.21	209,982.21
313	Lost River .....			250,356.96			121,125.60	121,125.60
314	Dundurn .....			138,761.43			102,730.72	102,730.72
315	Montrose .....			115,756.60			55,808.19	55,808.19
316	Harris .....			76,632.22			65,161.52	65,161.52
339	Leroy .....			75,912.18			15,432.99	15,432.99
340	Wolverine .....			20,412.93			30,086.54	30,086.54
341	Viscount .....			33,357.01			138,117.48	138,117.48
342	Colonsay .....			157,028.42			162,747.91	162,747.91
343	Blucher .....			183,112.31			191,743.22	191,743.22
344	Corman Park .....			217,347.28			301,823.83	301,823.83
345	Vanscoy .....			410,848.65			493,855.72	493,855.72
346	Perdue .....			540,527.35			317,545.49	317,545.49
371	Bayne .....			354,598.83			66,252.74	66,252.74
372	Grant .....			72,734.50			16,056.55	16,056.55
373	Aberdeen .....			18,338.98			27,124.65	27,124.65
376	Eagle Creek .....			34,050.44			105,848.50	105,848.50
				111,628.97			11,537.26	11,537.26
				14,938.25				
Total payments — to Statement 1 .....		\$ 236,456.75	\$ 1,193,407.13	\$ 2,896,018.98	\$ 242,217.06	\$ 1,278,629.84	\$ 2,494,868.97	



## Municipal Potash Tax Sharing Administration Board

## Tax Distribution Fund

## Payments made to Participating Urban Municipalities

Year Ended December 31

## Urban Municipality

## Schedule 2

	1986			1985		
	Pense Area	Esterhazy Area	Saskatoon Lanigan Area	Pense Area	Esterhazy Area	Saskatoon Lanigan Area
Village of Aberdeen .....	\$ .....	\$ .....	\$ 5,446.85	\$ .....	\$ .....	\$ 4,653.51
Town of Allan .....	.....	.....	35,564.35	.....	.....	31,257.51
Town of Asquith .....	.....	.....	5,392.30	.....	.....	4,477.90
Village of Atwater .....	.....	504.80	.....	.....	579.49	.....
Village of Bangor .....	.....	615.23	.....	.....	571.09	.....
Village of Belle Plaine .....	2,499.20	.....	.....	2,573.71	.....	.....
Village of Bethune .....	2,991.23	.....	.....	3,045.19	.....	.....
Village of Bradwell .....	.....	.....	6,860.87	.....	.....	6,040.78
Town of Bredenbury .....	.....	3,628.29	.....	.....	3,980.88	.....
Village of Briercree .....	1,397.99	7,879.71	.....	1,276.59	8,390.10	.....
Town of Churchbridge .....	.....	.....	.....	.....	.....	10,536.24
Village of Clavet .....	.....	.....	13,495.38	.....	.....	19,386.68
Town of Colonsay .....	.....	.....	20,594.84	.....	.....	9,816.26
Town of Dalmeny .....	.....	.....	11,755.18	.....	.....	34,383.26
Town of Delisle .....	.....	.....	41,616.66	345.50	.....	.....
Village of Disley .....	390.50	.....	.....	.....	.....	1,922.86
Town of Drake .....	.....	.....	2,352.66	.....	.....	.....
Village of Drinkwater .....	2,405.48	.....	5,875.18	2,496.07	.....	4,741.31
Village of Elstow .....	.....	45,716.53	.....	.....	49,315.98	.....
Town of Esterhazy .....	.....	6,152.33	.....	.....	6,349.26	7,375.37
Village of Gerald .....	.....	.....	8,558.84	.....	.....	535.59
Village of Guernsey .....	.....	.....	630.86	.....	.....	.....
Village of Kinley .....	.....	9,465.12	.....	.....	10,078.20	.....
Town of Langenburg .....	.....	.....	.....	.....	.....	9,658.22
Town of Langham .....	.....	.....	11,357.24	.....	.....	49,204.24
Town of Lanigan .....	.....	.....	57,099.71	.....	.....	351.21
Village of Lockwood .....	.....	.....	398.23	.....	.....	15,321.45
Town of Martensville .....	.....	.....	17,239.01	.....	.....	1,334.59
Village of Meacham .....	.....	.....	1,586.04	.....	.....	.....
Village of Pense .....	15,807.44	.....	.....	16,362.23	.....	3,775.49
Village of Perdue .....	.....	.....	4,390.63	.....	.....	1,308.25
Village of Plunkett .....	.....	.....	1,518.17	.....	.....	.....
Town of Rocanville .....	.....	28,647.76	.....	.....	30,839.28	.....
Village of Spy Hill .....	.....	10,979.53	.....	.....	11,825.08	.....
Village of Stockholm .....	.....	3,139.27	.....	.....	3,325.80	.....
Village of Tantallon .....	.....	5,552.87	.....	.....	5,912.54	.....
Village of Tuxford .....	781.13	.....	.....	814.56	.....	11,414.26
Village of Vanscoy .....	.....	.....	12,686.22	.....	.....	13,029.82
Village of Viscount .....	.....	.....	15,008.70	.....	.....	2,669.18
Town of Vonda .....	.....	.....	2,929.59	.....	.....	14,619.03
Town of Warman .....	.....	.....	17,114.08	.....	.....	13,082.50
Town of Watrous .....	.....	.....	15,181.75	.....	.....	.....
Village of Welwyn .....	.....	6,057.68	.....	.....	6,349.26	.....
Village of Yarbo .....	.....	4,261.67	.....	.....	4,704.49	3,696.46
Village of Young .....	.....	.....	4,168.35	.....	.....	2,741.22
Village of Zelma .....	.....	.....	2,958.22	.....	.....	.....
Total payments — to Statement 1 .....	\$ 26,272.97	\$ 132,600.79	\$ 321,779.88	\$ 26,913.85	\$ 142,221.45	\$ 277,333.19

## Saskatchewan Archives Board

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the balance sheet of the Saskatchewan Archives Board as at March 31, 1987 and the statements of revenue, expenditure and balance of fund and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Saskatchewan Archives Board as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
November 5, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As At March 31

### Statement 1

	1987	1986
<b>Assets</b>		
Current assets:		
Funds held by University of Saskatchewan (Note 1(b))	\$ 119,988	\$ 124,000
Accounts receivable	4,628	3,870
Interest receivable	.....	486
	<u>124,616</u>	<u>128,356</u>
Fixed Assets:		
Equipment (Note 1(c))	198,160	178,295
	<u>\$ 322,776</u>	<u>\$ 306,651</u>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable	\$ 28,818	\$ 18,936
Deferred revenue	18,958	18,958
	<u>47,776</u>	<u>37,894</u>
Equity:		
Equity in equipment (Note 1(c))	198,160	178,295
Balance of fund (Statement 2) (Note 1(b))	76,840	90,462
	<u>275,000</u>	<u>268,757</u>
	<u>\$ 322,776</u>	<u>\$ 306,651</u>

(See accompanying notes to financial statements)

## Saskatchewan Archives Board

### Statement of Revenue, Expenditure and Balance of Fund

For the Year Ended March 31

### Statement 2

	1987	1986
Revenue:		
Grants — Province of Saskatchewan,		
Advanced Education and Manpower .....	\$ 852,910	\$ 852,910
Culture and Recreation .....	.....	72,883
Education .....	17,500	10,000
Employment Development Agency .....	.....	20,879
	870,410	956,672
Grants — Government of Canada		
Challenge '86 .....	2,678	.....
	873,088	956,672
Services .....	150,404	45,299
Photocopy sales .....	32,894	33,567
Magazine sales .....	7,240	13,915
Miscellaneous .....	5,693	10,060
	1,069,319	1,059,513
Expenditures:		
Salaries and benefits .....	877,470	834,055
Administrative services .....	141,944	138,290
Printing and postage .....	34,154	93,773
Equipment .....	19,865	20,634
Materials and supplies .....	9,508	7,941
	1,082,941	1,094,693
Excess of (expenditure over revenue) .....	(13,622)	(35,180)
Balance of fund, beginning of year .....	90,462	125,642
Balance of fund, end of year .....	\$ 76,840	\$ 90,462

(See accompanying notes to financial statements)

### Statement of Changes in Financial Position

For the Year Ended March 31

### Statement 3

	1987	1986
Cash (used in) provided by operating activities		
Excess of (expenditure over revenue) .....	\$ (13,622)	\$ (35,180)
Net change in non-cash working capital balances related to operations ..	9,610	36,508
Cash (used in) provided by operating activities .....	(4,012)	1,328
Funds held by University of Saskatchewan at beginning of year .....	124,000	122,672
Funds held by University of Saskatchewan at end of year .....	\$ 119,988	\$ 124,000

(See accompanying notes to financial statements)

## Saskatchewan Archives Board

### Notes to Financial Statements

March 31, 1987

#### 1. Accounting Policies

These financial statements are prepared in accordance with the following accounting policies which are considered appropriate for organizations of this type.

##### (a) Accrual Accounting

The financial statements are prepared in accordance with the accrual basis of accounting.

##### (b) Fund accounting

The accounts of the Board are maintained in accordance with the principles of fund accounting in order that limitations and restrictions placed on the use of available resources are observed. Under the Board's fund accounting, resources for various purposes are classified for internal accounting purposes into five funds that are in accordance with activities or objectives specified. The financial statements are a consolidation of the five funds including the general, magazine, photocopy, trust grants in advance and archives trust all of which are administered by the University of Saskatchewan.

##### (c) Fixed assets

The Saskatchewan Archives Board follows the policy of charging to current year's expenditure the full cost of all fixed assets purchased during the year. Equipment costing in excess of \$1,000 purchased after March 31, 1975 is recorded at cost on the balance sheet, with a corresponding figure recorded as "Equity in Equipment." No depreciation is recorded.

All materials used to preserve the archival collection are disbursed as purchased.

#### 2. Authority

The Saskatchewan Archives Board operates under the authority of The Archives Act for the purpose of acquiring and preserving historical documents relating to the history of Saskatchewan and to provide these documents to the public for research purposes.

#### 3. Costs Borne by Other Agencies

Expenditures for administrative services are provided by the University of Saskatchewan and the University of Regina.

The Saskatchewan Archives Board has entered into a five year lease agreement with the Saskatchewan Property Management Corporation, which expires November 30, 1988 for office space on behalf of the Board. The costs of this agreement are being absorbed by the Saskatchewan Property Management Corporation.

Accordingly, no provision for the aforementioned costs is included in these financial statements.

#### 4. Permanent Collection

Pursuant to Section 12 of The Archives Act the "Saskatchewan Archives Board may acquire by gift, devise or in any other manner and place in the archives printed documents, manuscripts, records, private papers and any other material, to whomsoever belonging, having a bearing on the history of Saskatchewan." The Archives Board has placed a nil value on the archival material for financial statement purposes.

## The Saskatchewan Research Council Employees' Pension Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the balance sheet of The Saskatchewan Research Council Employees' Pension Fund as at December 31, 1986 and the statement of fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with accounting principles disclosed in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
October 23, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As at December 31

### Statement 1

	1986	1985
<b>Assets</b>		
Cash .....	\$ 4,091	\$ 591
Contributions and other receivables .....	86,399	108,647
Investments (Note 4) .....	11,046,416	8,906,541
	<u>\$ 11,136,906</u>	<u>\$ 9,015,779</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities:</b>		
Pensions and other payables .....	\$ 183	\$ 183
Fund balance (Statement 2) .....	11,136,723	9,015,596
	<u>\$ 11,136,906</u>	<u>\$ 9,015,779</u>

(See accompanying notes to the financial statements)

### Statement of Fund Balance

Year Ended December 31

### Statement 2

	1986	1985
Fund balance, beginning of year .....	\$ 9,015,596	\$ 6,487,754
<b>Add:</b>		
Contributions		
— Employer .....	578,390	477,351
— Employee .....	448,105	446,203
Increase in net asset value of investments .....	1,169,481	1,688,469
Transfer of assets into Fund (Note 5) .....	43,327	34,632
	<u>2,239,303</u>	<u>2,646,655</u>
<b>Deduct:</b>		
Refunds upon termination .....	27,586	47,080
Retirement benefits .....	90,590	71,733
	<u>118,176</u>	<u>118,813</u>
Fund balance, end of year (Statement 1) .....	<u>\$11,136,723</u>	<u>\$9,015,596</u>

(See accompanying notes to the financial statements)



## The Saskatchewan Research Council Employees' Pension Fund

### Notes to the Financial Statements

December 31, 1986

#### 1. Description of the Pension Fund

The Saskatchewan Research Council Employees' Pension Plan was established May 1, 1974 for the purpose of providing retirement income to the Council's employees. The Plan is a defined benefit final average pension plan funded by specified monthly employee contributions for past and/or current service and by the Council's regular contributions, as recommended by the actuary of the Plan.

The Plan directs that all the contributions, investment income and any other assets received for the purposes of the Plan will be deposited in the Pension Fund, and all benefits under the Plan paid therefrom.

#### 2. Significant Accounting Policies

##### a) Investments

Investments of the Fund are comprised of shares in three mutual funds managed by the Fund's investment advisor and shares in a Pooled Diversifund. Two of the mutual funds, the "Pooled Pension Trust" and the "U.S. Pooled Pension Trust" are equity funds, while the "Bond Fund" is a fixed income fund. The "Pooled Diversifund" is a combined growth — equity fund.

Contributions paid into the Pension Fund are used to purchase shares in the three mutual funds managed by the investment agency. No further shares will be purchased in the "Pooled Diversifund", which was received when a number of employees transferred to The Saskatchewan Research Council Employees' Pension Plan from a previous Plan administered by The Mutual Life Assurance Company of Canada.

Additional shares are acquired when periodic distributions are made by the funds. Cash dividends are not paid by the funds; however, investors can realize changes in the underlying share values by redeeming shares of the funds.

The shares in the four funds are recorded in the accounts at their net asset value per share. Net asset value per share is the market value of the investments in the particular fund's portfolio divided by the total number of outstanding shares in that fund. With respect to the U.S. Pooled Pension Trust, the market values of investments have been translated into Canadian dollars at the rate of exchange prevailing at year end. The Pension Fund follows the practice of recording the adjustment necessary to record its shares in the funds at net asset value as an increase or decrease in the Fund balance.

##### b) Administration Costs

Expenses incurred in the operation of the Fund are paid by the Council. Increases (decreases) in net asset value are shown net of management fees charged by the investment agency.

#### 3. Actuarial Valuation

An actuarial valuation was performed as at January 1, 1987 on The Saskatchewan Research Council Employees' Pension Plan. The actuary stated that using the accrued benefit actuarial cost method, the present value of accumulated benefits resulting from services provided to the valuation date was \$9,769,786. The actuary also stated that the value of Pension Fund assets was \$10,731,651 based on averaged market values. The resulting net actuarial surplus was stated to be \$961,865. The report also recommended that the Council contribute at least 105% of employee contributions to meet the cost of benefits to be earned for service after valuation date.

The next actuarial valuation is required to be performed no later than as at December 31, 1989.

#### 4. Investments

	1986				1985	
	<i>Pooled Diversifund</i>	<i>Bond Fund</i>	<i>Pooled Pension Trust</i>	<i>U.S. Pooled Pension Trust</i>	<i>Total</i>	<i>Total</i>
Investments						
at cost.....	\$ 172,212	\$ 1,998,695	\$ 2,727,689	\$ 904,600	\$ 5,803,196	\$ 4,832,802
Accumulated						
increase in net						
asset value.....	105,131	1,973,417	2,770,124	394,548	5,243,220	4,073,739
Investments at net						
asset value.....	\$ 277,343	\$ 3,972,112	\$ 5,497,813	\$ 1,299,148	\$11,046,416	\$ 8,906,541

#### 5. Transfer of Assets into Fund

This represents the amounts received upon the transfer of employees from former pension plans to the current Pension Plan. The actuary had taken the transfer into account in the valuation described in Note 3.

## Saskatchewan Sheep and Wool Marketing Commission

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the balance sheet of the Saskatchewan Sheep and Wool Marketing Commission as at December 31, 1986 and the statements of revenue, expenditure and retained earnings and changes in cash resources for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
February 27, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As at December 31

### Statement 1

	1986	1985
<b>Assets</b>		
Current		
Cash .....	\$ 41,917	\$ 10,571
Term deposit .....	.....	25,000
Accounts receivable .....	14,575	382
Inventories .....	6,927	6,716
Prepaid expense .....	1,340	1,480
	64,759	44,149
Furniture and equipment .....	8,205	7,577
	<u>\$ 72,964</u>	<u>\$ 51,726</u>
<b>Liabilities and Equity</b>		
Current		
Accounts payable .....	\$ 4,531	\$ 2,494
Deferred revenue (Note 5) .....	19,049	.....
	23,580	2,494
Equity		
Retained earnings — Statement 2 .....	41,179	41,655
Fixed assets .....	8,205	7,577
	49,384	49,232
	<u>\$ 72,964</u>	<u>\$ 51,726</u>

(See accompanying notes)

## Saskatchewan Sheep and Wool Marketing Commission

### Statement of Revenue, Expenditure and Retained Earnings For the Year Ended December 31

### Statement 2

	1986	1985
<b>Revenue</b>		
Province of Saskatchewan grants		
— Administration .....	\$ 47,500	\$ 47,500
— ERDA Project (Note 5) .....	40,951	.....
— Tripartite Program (Note 6) .....	21,135	.....
Check-off fees .....	17,803	21,092
Sale of sheepman's supplies .....	13,137	11,436
Other .....	14,041	5,520
Wool handling commission (net of expenses) .....	.....	117
	<u>154,567</u>	<u>85,665</u>
<b>Expenditure</b>		
Salaries and benefits .....	63,422	59,451
General .....	39,632	31,505
Cost of sales — sheepman's supplies (Note 3) .....	11,038	8,587
ERDA Project — leasing of land .....	8,500	.....
— maintenance of pasture .....	15,680	.....
— general .....	16,771	.....
	<u>155,043</u>	<u>99,543</u>
Excess of expenditure over revenue .....	(476)	(13,878)
Retained earnings, beginning of year .....	41,655	55,533
Retained earnings, end of year — Statement 1 .....	<u>\$ 41,179</u>	<u>\$ 41,655</u>

(See accompanying notes)

### Statement of Changes in Cash Resources Year Ended December 31

### Statement 3

	1986	1985
Cash provided by (used in):		
<b>Operating Activities</b>		
Excess of expenditures over revenue .....	\$ (476)	\$ (13,878)
Net change in non-cash working capital items:		
Decrease (increase) in accounts receivable .....	(14,193)	1,114
Decrease (increase) in inventory .....	(211)	976
Decrease (increase) in prepaid expenses .....	140	(168)
Increase in accounts payable .....	2,037	87
Increase in deferred revenue .....	19,049	.....
	<u>6,822</u>	<u>2,009</u>
Cash provided by operating activities .....	<u>6,346</u>	<u>(11,869)</u>
Net increase (decrease) in cash and term deposits .....	<u>6,346</u>	<u>(11,869)</u>
Cash and term deposits, beginning of year .....	35,571	47,440
Cash and term deposits, end of year .....	<u>\$ 41,917</u>	<u>\$ 35,571</u>

(See accompanying notes)

## Saskatchewan Sheep and Wool Marketing Commission

### Notes to Financial Statements

December 31, 1986

#### 1. Accounting Policies

- i) Fixed asset purchases are charged as an expense against operations in the year of purchase and are therefore not depreciated. To maintain accountability for fixed assets it is necessary to record them as a balance sheet asset with a corresponding offset to the equity account.
- ii) Inventory is valued at the lower of cost and net realizable value.

#### 2. Status of the Commission

The Commission was established by Order-in-Council 1534/74 and is continued under Section 38 of the Natural Products Marketing Act. The Commission was created to provide for the promotion, control, and regulation of the marketing of sheep and wool within the Province of Saskatchewan.

#### 3. Cost of Sales — Sheepman's Supplies

	1986	1985
Beginning inventory, January 1 .....	\$ 6,716	\$ 7,692
Purchases for the year .....	11,249	7,611
	17,965	15,303
Less: Ending inventory, December 31 .....	6,927	6,716
Cost of sales .....	<u>\$ 11,038</u>	<u>\$ 8,587</u>

#### 4. Commissioners' and Managers' Remuneration

During 1986, the Commissioners of the Commission received \$5,511 in remuneration (1985 — \$4,975). Management of the Commission in 1986 received \$32,780 in remuneration (1985 — \$32,000).

#### 5. ERDA Project

In 1986, the Commission entered into an agreement with the Department of Agriculture — Province of Saskatchewan to conduct extension, research and development on irrigated sheep pastures (ERDA Project). During 1986, the Commission received a grant from the Province of Saskatchewan of \$60,000 and incurred expenses for the leasing, developing and maintenance of the pasture of \$40,951. Pursuant to section 19 of the agreement, the Commission shall return unutilized funds remaining at the completion or termination of the project on February 1, 1989. Thereby, unutilized funds at December 31, 1986 of \$19,049 are deferred and will be taken into income when associated costs are incurred.

#### 6. Tripartite Program

In 1986, the Commission agreed to act as an agent for the Department of Agriculture — Province of Saskatchewan to administer the province's part of the administration of The National Tripartite Stabilization Scheme for Lambs established by a federal-provincial agreement. The related costs incurred to administer this agreement have been included in the expenditures of the Commission. In 1986, the Commission received a grant from the Province of Saskatchewan of \$21,135 pursuant to Schedule C of the agreement to cover the costs of administration of this agreement.

## The Saskatchewan Vegetable Marketing Commission

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the balance sheet of The Saskatchewan Vegetable Marketing Commission as at June 30, 1986 and the statement of revenue, expenditure and surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of The Saskatchewan Vegetable Marketing Commission as at June 30, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
November 27, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As at June 30

### Statement 1

	1986	1985
<b>Assets</b>		
Current		
Cash .....	\$ 10,816	\$ .....
Accounts Receivable .....	.....	1,900
Prepaid expense .....	13	339
	10,829	2,239
Furniture and equipment (Note 1) .....	2,784	2,784
	<u>\$ 13,613</u>	<u>\$ 5,023</u>
<b>Liabilities and Equity</b>		
Bank overdraft .....	\$ .....	\$ 71
Accounts payable — Commissioner's travel, fees and other .....	253	2,728
Deferred revenue (Note 4) .....	5,915	.....
	<u>6,168</u>	<u>2,799</u>
<b>Equity</b>		
Surplus (Statement 2) .....	4,661	(560)
Furniture and equipment .....	2,784	2,784
	<u>7,445</u>	<u>2,224</u>
	<u>\$ 13,613</u>	<u>\$ 5,023</u>

(See accompanying notes)



## The Saskatchewan Vegetable Marketing Commission

### Statement of Revenue, Expenditure and Surplus

For the Year Ended June 30

### Statement 2

	1986	1985
Revenue		
Grants — Marketing and Economics Branch (Note 3) .....	\$ 14,250	\$ 14,250
— Regional Industrial Expansion .....	.....	1,900
Registration fees .....	10	.....
Miscellaneous .....	.....	128
	<u>14,260</u>	<u>16,278</u>
Expenditure		
Administration .....	7,252	6,886
Salaries and benefits .....	558	980
Travel .....	534	779
Commissioners' fees .....	495	690
Consulting fees .....	200	100
Research .....	.....	1,900
	<u>9,039</u>	<u>11,335</u>
Excess revenue over expenditure .....	5,221	4,943
(Deficit) beginning of year .....	(560)	(5,503)
Surplus (Deficit) end of year — Statement 1 .....	<u>\$ 4,661</u>	<u>\$ (560)</u>

(See accompanying notes)

### Notes to Financial Statements

June 30, 1986

#### 1. Significant Accounting Policies

Fixed asset purchases are charged as an expense against operations in the year of purchase and are therefore not depreciated. To maintain accountability for fixed assets it is necessary to record them as a balance sheet asset with a corresponding offset to the equity account "Equity in Furniture and Equipment."

#### 2. Incorporation

The Saskatchewan Vegetable Marketing Commission was established by Order-in-Council #138/78, January 24, 1978 under authority of section 22 of The Natural Products Marketing Act, 1972.

#### 3. Grant — Marketing and Economics Branch

An administration grant of \$14,250 from the Marketing and Economics Branch of the Department of Agriculture for the 1985/86 fiscal year has been issued to the Commission.

#### 4. Deferred Revenue

An advance was received during the year for a Potato Starch research project.

#### 5. Comparative Figures

Certain amounts for the prior year have been reclassified to conform with the presentation in 1985/86.

## South Saskatchewan River Irrigation District No. 1

### Auditor's Report

To the Members of the Legislative Assembly  
Province of Saskatchewan

I have examined the balance sheet of the South Saskatchewan River Irrigation District No. 1 as at December 31, 1986 and the statements of income, retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the South Saskatchewan River Irrigation District No. 1 as at December 31, 1986 and the results of its operations and changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
January 16, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

December 31, 1986

(with comparative figures for 1985)

### Statement 1

	1986	1985
<b>Assets</b>		
Current		
Cash and short-term investments .....	\$ 588,890	\$ 360,425
Accounts receivable .....	171,864	292,828
Deposit on trucks .....	.....	14,360
Accrued interest receivable .....	5,529	3,480
Prepaid expense .....	1,547	761
	<u>767,830</u>	<u>671,854</u>
Other designated assets:		
Irrigation system replacement reserve (Note 4) .....	860,918	788,746
Equipment replacement reserve (Note 5) .....	154,707	163,287
Fixed assets (Note 6) .....	<u>156,650</u>	<u>122,987</u>
	<u>\$ 1,940,105</u>	<u>\$ 1,746,874</u>
<b>Liabilities and Equity</b>		
Liabilities		
Accounts payable and accrued liabilities .....	\$ 4,840	\$ 4,038
Equity		
Contributed surplus .....	143,400	143,400
Retained earnings .....	<u>1,791,865</u>	<u>1,599,436</u>
Total equity .....	<u>1,935,265</u>	<u>1,742,836</u>
	<u>\$ 1,940,105</u>	<u>\$ 1,746,874</u>

(See accompanying notes to the financial statements)

## South Saskatchewan River Irrigation District No. 1

### Statement of Income

Year Ended December 31, 1986

(with comparative figures for 1985)

### Statement 2

	1986	1985
<b>Revenue</b>		
Province of Saskatchewan grants .....	\$ 22,925	\$ 27,639
Water rate charges and penalties .....	421,041	435,345
Custom work revenue .....	62,712	82,858
Other revenue .....	138,432	128,423
<b>Total revenue .....</b>	<b>645,110</b>	<b>674,265</b>
<b>Expenses</b>		
Salaries and employee benefits .....	277,946	288,514
Pumping cost — power .....	195,069	247,941
Operations and maintenance .....	52,649	50,589
Depreciation .....	22,431	22,039
Fees and licences .....	4,671	4,726
Professional services .....	1,842	2,685
Travel and sustenance .....	2,367	3,282
Insurance .....	3,876	2,923
Provision for bad debts .....	.....	1,076
Other .....	11,535	12,642
	<b>\$ 572,386</b>	<b>\$ 636,417</b>
<b>Income from operations .....</b>	<b>72,724</b>	<b>37,848</b>
<b>Interest income .....</b>	<b>122,503</b>	<b>129,221</b>
<b>Gain on sale of fixed assets .....</b>	<b>.....</b>	<b>13,250</b>
<b>Write-down of assets .....</b>	<b>2,798</b>	<b>.....</b>
<b>Net income for year .....</b>	<b>\$ 192,429</b>	<b>\$ 180,319</b>

(See accompanying notes to the financial statements)

### Statement of Retained Earnings

Year Ended December 31, 1986

(with comparative figures for 1985)

### Statement 3

	1986	1985
<b>Retained Earnings</b>		
<b>Unappropriated</b>		
Balance, beginning of year .....	\$ 647,403	\$ 581,581
Add: Net income (Statement 2) .....	192,429	180,319
Transfers from:		
— Equipment replacement reserve .....	44,396	.....
	<b>884,228</b>	<b>761,900</b>
Deduct: Transfers to:		
— Irrigation system replacement reserve .....	(72,172)	(81,762)
— Equipment replacement reserve .....	(35,816)	(32,735)
<b>Balance, end of year .....</b>	<b>776,240</b>	<b>647,403</b>
<b>Appropriated</b>		
1. Irrigation system replacement reserve (Note 3)		
Balance, beginning of year .....	788,746	706,984
Add: Transfer from unappropriated retained earnings (Note 4) .....	72,172	81,762
<b>Balance, end of year .....</b>	<b>860,918</b>	<b>788,746</b>
2. Equipment replacement reserve (Note 3)		
Balance, beginning of year .....	163,287	130,552
Add: Transfer from unappropriated retained earnings (Note 5) .....	35,816	32,735
Deduct: Transfers to unappropriated retained earnings .....	(44,396)	.....
<b>Balance, end of year .....</b>	<b>154,707</b>	<b>163,287</b>
<b>Total retained earnings, end of year (Statement 1) .....</b>	<b>\$ 1,791,865</b>	<b>\$ 1,599,436</b>

(See accompanying notes to the financial statements)

## South Saskatchewan River Irrigation District No. 1

### Statement of Changes in Financial Position

Year Ended December 31, 1986

(with comparative figures for 1985)

### Statement 4

	1986	1985
Cash provided by (used in):		
Operating Activities		
Net income	\$ 192,429	\$ 180,319
Add (deduct) items not requiring or generating cash:		
— depreciation	22,431	22,039
— gain on sale of fixed assets	.....	(13,250)
— write-down of fixed assets	2,798	.....
	217,658	189,108
Net change in non-cash working capital items	133,291	13,792
	350,949	202,900
Financing activities:		
Increase in other designated assets	(63,592)	(114,497)
Investment activities:		
Purchases of fixed assets	(58,892)	.....
Proceeds from sale of fixed assets	.....	15,210
	(58,892)	15,210
Net increase (decrease) in cash position	228,465	103,613
Cash and short-term investments, beginning of year	360,425	256,812
Cash and short-term investments, end of year	\$ 588,890	\$ 360,425

(See accompanying notes to the financial statements)

### Notes to Financial Statements

December 31, 1986

#### 1. Accounting policies

- Fixed assets are recorded at cost, except for assets sold to South Saskatchewan River Irrigation District No. 1 by Department of Agriculture for the sum of \$1.00. These assets are valued at estimated net book value at the time of the transfer, April 1, 1976, with a corresponding amount reflected in contributed surplus.
- Depreciation is calculated on a straight-line basis with annual rates determined by expected yearly use. A maximum of fifteen years was used to depreciate assets purchased from Saskatchewan Agriculture.
- Long-term and short-term investments are stated at cost which approximate the market value.
- In accordance with established government practice, the District has not been charged with occupancy costs and no provision for such costs is reflected in these financial statements. These costs together with certain salary costs are absorbed by various departmental appropriations.

#### 2. Establishment of the District

In accordance with Section 3 of The South Saskatchewan River Irrigation Act, 1978, the District was established by Order-in-Council 1858/66 dated September 23, 1966. Effective April 1, 1976 the Board of Trustees of the District assumed responsibility from the Department of Agriculture for the administration, operation and maintenance of the South Saskatchewan River Irrigation District No. 1.

In accordance with Order-in-Council 1169/82, the 1982 Board, which consisted of three nominated and two appointed trustees, was terminated, effective December 31, 1982. Elections were held prior to December 31, 1982 and a five member Board was elected to serve on and from January 1, 1983 in accordance with The South Saskatchewan River Irrigation Act, 1978.

#### 3. Retained Earnings

The District has adopted the policy of appropriating retained earnings to establish reserves as follows:

##### (a) Irrigation System Replacement Reserve

Memorandum of Understanding, January 1, 1980 required the appropriation yearly of \$1.00 per base acre plus Province of Saskatchewan grants specifically designed for capital replacement plus interest earned. With the termination of this Memorandum of Understanding effective December 31, 1984, only interest earned is appropriated yearly as described in Note 4.

## South Saskatchewan River Irrigation District No. 1

### Notes to Financial Statements — (Concluded)

#### 3. Retained Earnings — (Concluded)

##### (b) Equipment Replacement Reserve

The amount appropriated yearly is based on depreciation estimates plus interest earned as described in Note 5. The amount transferred out to unappropriated retained earnings is based on equipment purchases (net of trade-in value) approved by the Board.

#### 4. Irrigation System Replacement Reserve

The amount appropriated in the current year is \$72,172 (1985 — \$81,762 — Note 3) which represents interest earned by the designated assets, with the total appropriation amounting to \$860,918 (1985 — \$788,746) as at December 31, 1986.

The following assets have been designated as relating to the Irrigation System Replacement Reserve:

	1986	1985
Cash .....	\$ 4,601	\$ 94,899
Short-Term Investment .....	850,000	680,373
Accrued Interest Receivable .....	6,317	13,474
	<u>\$ 860,918</u>	<u>\$ 788,746</u>

#### 5. Equipment Replacement Reserve

The amount appropriated in the current year is \$35,816 (of which \$22,431 is depreciation estimates, and \$10,587 is interest, and \$2,798 is a write-down of assets) (1985 — \$32,735) with the total appropriated amounting to \$154,707 (1985 — \$163,287) as at December 31, 1986.

The following assets have been designated as relating to the Equipment Replacement Reserve:

	1986	1985
Cash and Short-term Investment .....	\$ 153,119	\$ 161,818
Accrued interest receivable .....	1,588	1,469
	<u>\$ 154,707</u>	<u>\$ 163,287</u>

#### 6. Fixed assets

	Cost	Accumulated Depreciation	Book Value Dec. 31, 1986	Book Value Dec. 31, 1985
Operations and maintenance equipment .....	\$ 302,798	\$ 155,060	\$ 147,738	\$ 117,010
Small tools .....	3,658	3,227	431	826
Radio equipment .....	8,150	4,475	3,675	1,357
Metering equipment .....	4,323	3,867	456	913
Office equipment .....	6,551	2,201	4,350	2,881
	<u>\$ 325,480</u>	<u>\$ 168,830</u>	<u>\$ 156,650</u>	<u>\$ 122,987</u>

#### 7. Capital Costs of Irrigation Systems and Works

With the transfer of the management of the District to the Board of Trustees effective April 1, 1976, fixed assets used in the operations of the District were sold to the District by the Department of Agriculture (Note 1a). The capital costs of the irrigation systems and works in place at the time of transfer have not been included in the assets of the District. These costs were originally reported in the Public Accounts of the Province of Saskatchewan in the Department of Agriculture.

#### 8. Grant Revenue

According to the January 1, 1980 Memorandum of Understanding, between the Department of Agriculture (which has been assumed by the Saskatchewan Water Corporation) and the South Saskatchewan River Irrigation District No. 1 Board, the following was agreed upon:

(a) The Saskatchewan Water Corporation would provide for the difference in gross revenue from operation and maintenance on the developed acreage for irrigation and the 42,000 acre base. In 1986 this grant amounted to \$22,925 (1985 — \$27,639).

#### 9. Write-down of Assets

Those assets depreciated to salvage value, but no longer in use were written down to nil during 1986.

#### 10. Change in Accounting Estimate

During 1986, the useful lives of all assets held by South Saskatchewan River Irrigation District No. 1 were reappraised. The annual depreciation rates were adjusted to the new estimated lives.

#### 11. Comparative Financial Information

Certain amounts have been reclassified to conform to the current year's presentation.



## Special Projects Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the statement of financial position of the Special Projects Fund as at March 31, 1987 and the statement of expenditure and fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
October 9, 1987

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Statement of Financial Position

As at March 31

#### Statement 1

	1987	1986
Due from the Consolidated Fund (Note 3) .....	\$ 94,817	\$ 1,026,243
Fund balance .....	\$ 94,817	\$ 1,026,243

(See accompanying notes to the financial statements)

### Statement of Expenditure and Fund Balance

Year Ended March 31

#### Statement 2

	1987	1986
Expenditure (Note 1)		
Department of Supply and Services .....	\$ 931,426	\$ 2,565,302
Total Expenditure .....	931,426	2,565,302
Fund balance, beginning of year .....	1,026,243	3,591,545
Fund balance, end of year .....	\$ 94,817	\$ 1,026,243

(See accompanying notes to the financial statements)

### Notes to Financial Statements

March 31, 1987

#### 1. Authority

The Special Projects Fund is a special purpose fund established under the provisions of The Special Projects Fund Act which was assented to on June 2, 1983. The fund consists of an initial payment from the Consolidated Fund of the Province as required by the Act and any other amounts appropriated from the Consolidated Fund by the Legislature.

Subject to any terms or conditions set by the Minister to whom the administration of The Special Projects Fund Act is assigned, any member of the Executive Council may construct and equip capital projects. Further, subject to the approval of the Lieutenant Governor-in-Council, the Minister may make grants or provide loans to any person, municipality, institution or other body of persons in Saskatchewan for the purpose of assisting in the construction or equipping of capital projects. Any monies required for these purposes are to be provided out of monies appropriated from the Fund by the Legislature.

#### 2. Basis of Accounting

The accounts are maintained on a modified cash basis for a fiscal year commencing on April 1 and ending on March 31 thereafter. Revenues are recorded as received and expenditures are charged to the accounts when payment is made. In addition, revenues received in April which apply to the preceding fiscal year are reported as revenue of the preceding fiscal year, and payments made during April which are for goods and services received in the preceding fiscal year are reported as expenditures of the preceding fiscal year.

#### 3. Due from Consolidated Fund

This amount represents funds deposited to the credit of the Special Projects Fund in the Consolidated Fund of the Province pursuant to Section 16 of The Department of Finance Act, 1983.

This amount pursuant to Section 6(5) of The Special Projects Fund Act is non-interest bearing.

#### 4. Administrative Services

The fund has not been charged with occupancy costs or administrative salaries and no provision for such costs is reflected in these statements. These costs are borne by the Department of Revenue and Financial Services.

# The Workmen's Compensation Board Superannuation Fund

## Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the balance sheet of The Workmen's Compensation Board Superannuation Fund as at December 31, 1986 and the statements of revenue, expenditure and fund equity, and receipts and disbursements for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
October 9, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

## Balance Sheet

As at December 31, 1986

(with comparative figures for the previous year)

## Statement 1

	1986	1985
<b>Assets</b>		
Cash and short-term deposits .....	\$ 315,502	\$ 1,108,739
Investments (Schedules 1 and 2) .....	8,765,634	6,822,858
Accrued interest on investments .....	167,194	183,678
Accounts receivable .....	35,657	12,369
	<u>\$ 9,283,987</u>	<u>\$ 8,127,644</u>
<b>Accounts Payable and Fund Equity</b>		
Accounts payable .....	\$ —	\$ 1,800
Fund equity (Statement 2) (Note 4) .....	9,283,987	8,125,844
	<u>\$ 9,283,987</u>	<u>\$ 8,127,644</u>

(See accompanying notes to the financial statements)

## Statement of Revenue and Expenditure and Fund Equity

Year Ended December 31, 1986

(with comparative figures for the previous year)

## Statement 2

	1986	1985
<b>Revenues:</b>		
Contributions from the Workers' Compensation Board (Injury Fund) .....	\$ 355,290	\$ 393,903
Contributions by employees and board members .....	186,995	193,258
Investment earnings, bank interest and sundry income .....	923,269	878,325
Gain on sale of investments .....	4,788	60,382
Total Revenue .....	<u>\$ 1,470,342</u>	<u>\$ 1,525,868</u>
<b>Expenditures:</b>		
Superannuates' allowances .....	\$ 277,230	\$ 238,232
Refunds to employees leaving service:		
Contributions .....	24,110	8,423
Accrued interest .....	10,859	2,423
Total expenditure .....	<u>\$ 312,199</u>	<u>\$ 249,078</u>
Excess of revenue over expenditure for the year .....	\$ 1,158,143	\$ 1,276,790
Fund equity, beginning of year .....	8,125,844	6,849,054
Fund equity, end of year (Statement 1) .....	<u>\$ 9,283,987</u>	<u>\$ 8,125,844</u>

(See accompanying notes to the financial statements)

## The Workmen's Compensation Board Superannuation Fund

### Statement of Receipts and Disbursements

Year Ended December 31, 1986

(with comparative figures for the previous year)

### Statement 3

	1986	1985
<b>Receipts:</b>		
Contributions from employees and board members .....	\$ 175,674	\$ 193,249
Contributions from Workers' Compensation Board (Injury Fund) .....	333,209	394,495
	<u>508,883</u>	<u>587,744</u>
Interest received .....	917,177	756,040
Long-term investment sales and maturities .....	1,156,809	907,066
<b>Total Receipts .....</b>	<b>\$ 2,582,869</b>	<b>\$ 2,250,850</b>
<b>Disbursements:</b>		
Allowances paid to superannuates .....	\$ 279,030	\$ 236,432
Contributions refunded or transferred to other retirement plans .....	24,110	8,423
Interest on contributions paid out .....	10,859	2,423
Long-term investments purchased .....	3,062,107	2,035,598
<b>Total disbursements .....</b>	<b>\$ 3,376,106</b>	<b>\$ 2,282,876</b>
Excess of (disbursements over receipts) .....	(793,237)	(32,026)
Cash and short-term deposits, beginning of year .....	1,108,739	1,140,765
<b>Cash and short-term deposits, end of year .....</b>	<b>\$ 315,502</b>	<b>\$ 1,108,739</b>

(See accompanying notes to the financial statements)

### Notes to Financial Statements

Year Ended December 31, 1986

#### 1. Significant Accounting Policies

##### a) Investments

Investments are recorded in the accounts at cost. Any discount or premium is amortized over the period remaining to the maturity date of the investment. When investments are sold prior to maturity, however, any differences between the proceeds and the carrying value of the investments, including any unamortized discount or premium, are taken into revenue or expenditure in that year.

##### b) Administrative Costs

The Fund is administered by the Public Employees Benefits Agency. Accordingly no provision for administrative costs has been reflected in these financial statements.

##### c) Basis of Accounting

The accounts are maintained on an accrual basis of accounting.

#### 2. Description of the Plan

The Fund was established under The Workmen's Compensation Board Superannuation Act. The plan covers employees and board members who were enrolled at October 1, 1977 and who did not elect to transfer to the Public Employees (Government Contributory) Superannuation Plan prior to October, 1978.

#### 3. Short-term Deposits

Short-term deposits are valued at cost which approximates market value.

#### 4. Fund Equity

Fund equity represents the accumulated contributions and earnings that, together with future contributions and interest earnings, will provide for payment of superannuation allowances. (Note 5).

#### 5. Fund Contributions

Member contributions are based on a percentage of salary. The Worker's Compensation Board (Injury Fund) provides contributions to the superannuation fund equal to 1.9 times the contributions made by employees and board members.

#### 6. Unfunded Liability

The most recent actuarial valuation of The Workmen's Compensation Board Superannuation Fund estimated that the plan had an unfunded actuarial liability of \$817,694 as at December 31, 1985. The Worker's Compensation Board is obligated to fund any deficiency in order to meet the superannuation fund's retirement benefits and refund requirements.

## The Workmen's Compensation Board Superannuation Fund

### Statement of Investments

### Schedule 1

December 31, 1986

(with comparative figures for the previous year)

	1986	1985
Investments:		
Bonds and Debentures:		
Government of Canada .....	\$ —	\$ 249,552
Province of Saskatchewan .....	1,523,825	878,043
Guaranteed by other provinces .....	497,837	742,395
Municipals .....	437,935	437,203
Corporates .....	3,858,460	3,078,479
	<u>\$ 6,318,057</u>	<u>\$ 5,385,672</u>
Mortgages:		
Morguard Trust Company .....	\$ 511,921	\$ 519,327
Equities .....	1,935,656	917,859
Total Investments (Schedule 2) .....	<u>\$ 8,765,634</u>	<u>\$ 6,822,858</u>
Investments at par value .....	<u>\$ 8,974,829</u>	<u>\$ 7,050,591</u>
Unamortized discounts .....	<u>\$ 209,195</u>	<u>\$ 227,733</u>

Investments had a quoted market value of \$9,694,339 on December 31, 1986 (1985 — \$7,769,018).

### Statement of Investment Transactions

### Schedule 2

Year Ended December 31, 1986

Investments, beginning of year .....	\$ 6,822,858
Add:	
Investments purchased:	
Bonds and debentures:	
9¼% Saskatchewan, October 2, 1987 .....	\$ 295,650
9¾% Saskatchewan, April 16, 1996 .....	496,250
12¼% Westcost Transmission, July 15, 2000 .....	288,750
9-7/8% Consumers Gas, June 1, 2006 .....	241,075
10½% Marathon Realty, August 15, 2006 .....	250,000
7-5/8% Pacific Western, December 30, 1996 .....	300,000
	<u>\$ 1,871,725</u>

## The Workmen's Compensation Board Superannuation Fund

### Statement of Investment Transactions — (Concluded)

### Schedule 2

#### Equities:

500 Shares, Imperial Oil Ltd. ....	\$	23,015
1,500 Shares, Imasco .....		51,435
2,000 Shares, Transcanada Pipelines .....		32,250
2,000 Shares, National Bank .....		55,255
500 Shares, Teck .....		12,498
2,000 Shares, Bank of Nova Scotia .....		28,620
800 Shares, Interprovincial Pipelines .....		34,640
1,000 Shares, MacMillan Bloedel .....		31,060
1,500 Shares, Dylex .....		26,340
1,000 Shares, B.C. Telephones .....		28,330
2,000 Shares, Power Corporation of Canada .....		35,070
1,000 Shares, Pagurian Corporation .....		15,570
1,000 Shares, Brascan .....		25,000
2,600 Shares, Laidlaw Transportation "B" .....		34,549
1,000 Shares, Campbell Red Lake Mines .....		20,000
8,800 Shares, Belkin Packaging .....		161,367
2,000 Shares, Ry. Nt. Financial .....		18,500
2,000 Shares, Great West Life .....		41,250
1,500 Shares, Scott's Hospitality .....		19,625
2,500 Shares, MacLean Hunter "X" .....		48,300
1,350 Shares, Domtar .....		42,356
1,000 Warrants, Transcanada Pipelines .....		1,250
4,000 Shares, International Thomson Organization .....		47,200
1,500 Shares, Lac Minerals .....		33,293
1,500 Shares, Crownx Inc. ....		18,075
3,900 Shares, Echo Bay Mines Ltd. ....		88,734
1,000 Shares, Hees International .....		31,250
1,700 Shares, BMO NT Financial .....		18,062
800 Shares, Teck Conv. PFD .....		101,200
500 Shares, Lonvest Corporation .....		12,478
2,000 Shares, CAE Industries .....		20,060
2,000 Shares, Falconbridge Ltd. ....		33,750
	\$	1,190,382

Amortization of discounts, net of premiums .....		22,575
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Total Additions .....	\$	3,084,682
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#### Deduct:

##### Investments sold:

##### Bonds and Debentures:

9¼% Canada, December 6, 1987 .....	\$	247,875
10¼% Saskatchewan, April 1, 2001 .....		155,745
12-1/8% Nova Scotia Power, February 14, 2005 .....		265,625
12¾% Simpson Sears Acceptance, June 15, 2000 .....		16,000
17½% Newfoundland Telephones, December 2, 1986 .....		250,000
13¼% Norcen Energy Resources, December 20, 2003 .....		11,000
12% Producers Pipelines, June 30, 1995 .....		20,370
12¼% Westcoast Transmission, July 15, 2000 .....		14,000
	\$	980,615

#### Equities:

14,000 Shares, Nova Corporation .....	\$	78,300
1,000 Shares, Hiram Walker .....		38,000
2,000 Shares, Greast West Life .....		42,590
	\$	158,890

Investment principal matured .....	\$	7,189
Gain on sale of investments .....		(4,788)

Total Deductions .....	\$	1,141,906
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Investments, end of year (Schedule 1) .....	\$	8,765,634
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## The Municipal Employees' Superannuation Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the balance sheet of The Municipal Employees' Superannuation Fund as at December 31, 1985 and the statement of changes in fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
February 11, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet As At December 31

### Statement 1

	1985	1984
<b>Assets</b>		
Cash .....	\$ 331,504	\$ .....
Contributions and other accounts receivable .....	3,217,012	1,167,722
Investment earnings due and accrued .....	2,532,155	1,988,086
Investments (Note 3) .....	140,841,081	119,872,440
	<u>\$ 146,921,752</u>	<u>\$ 123,028,248</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities:</b>		
Bank overdraft .....	\$ .....	\$ 936,402
Accounts payable .....	111,635	81,132
Provision for Future Annuities .....	12,669,870	10,664,850
<b>Total Liabilities</b> .....	<u>12,781,505</u>	<u>11,682,384</u>
<b>Fund Balance:</b>		
Defined Benefit Plan .....	119,516,930	96,063,995
Money Accumulation Plan .....	12,789,145	13,415,149
Annuity Underwriting .....	(1,742,533)	(1,665,819)
Supplementary Benefits .....	3,576,705	3,532,539
<b>Total Fund Balance</b> .....	<u>134,140,247</u>	<u>111,345,864</u>
	<u>\$ 146,921,752</u>	<u>\$ 123,028,248</u>

(See accompanying notes to the financial statements)

# The Municipal Employees' Superannuation Fund

## Statement of Changes in Fund Balance

Year Ended December 31, 1985

## Statement 2

	Defined Benefit Plan		Money Accumulation Plan		Money Underwriting Activity		Supplementary Benefits Activity		Total	Total
	1985	1984	1985	1984	1985	1984	1985	1984	1985	1984
Balance, Beginning of year .....	\$ 96,063,995	\$ 79,778,790	\$ 13,415,149	\$ 13,376,294	\$ (1,665,819)	\$ 7,652,388	\$ 3,532,539	\$ 184,355	\$ 111,345,864	\$ 100,991,828
Add:										
Contributions										
— employers .....	5,833,862	5,529,711	155,337	146,222	.....	.....	.....	.....	5,989,199	5,675,933
— employees .....	5,833,862	5,529,711	48,374	61,360	.....	.....	.....	.....	5,882,236	5,591,071
Interest on funds transferred in .....	57,741	40,310	.....	.....	.....	.....	.....	.....	57,741	40,310
Interest earned .....	14,233,953	10,317,726	1,209,796	1,309,716	1,258,845	938,177	436,000	205,637	17,138,594	12,771,256
Contributions										
— Rural Pension supplement .....	22,402	29,616	.....	.....	.....	.....	.....	.....	22,402	29,616
	25,981,820	21,447,074	1,413,507	1,517,298	1,258,845	938,177	436,000	205,637	29,090,172	24,108,186
Deduct:										
Transfers to other retirement plans .....	220,122	79,054	111,134	.....	.....	.....	.....	.....	331,256	79,054
Lump sum payments to estates .....	127,783	30,557	11,629	3,263	.....	.....	.....	.....	139,412	33,820
Payments in lieu of annuities .....	81,363	64,634	801	418	.....	.....	.....	.....	82,164	65,052
To insurance company .....	.....	.....	65,311	.....	.....	.....	.....	.....	65,311	.....
Withdrawals with interest .....	727,642	606,682	979	10,744	.....	.....	.....	.....	728,621	617,426
Allowances/Annuity payments .....	996,913	711,717	.....	.....	1,551,978	1,294,135	391,834	277,936	2,940,725	2,283,788
Actuary fees .....	3,280	10,160	.....	.....	.....	.....	.....	.....	3,280	10,160
Change in actuarial value (Note 4) .....	.....	.....	.....	.....	2,005,020	10,664,850	.....	.....	2,005,020	10,664,850
	2,157,103	1,502,804	189,854	14,425	3,556,998	11,958,985	391,834	277,936	6,295,789	13,754,150
Intra-fund transactions:										
Retirement annuities purchased .....	.....	.....	(2,221,439)	(1,702,600)	2,221,439	1,702,600	.....	.....	.....	.....
Excess employee contributions .....	(371,782)	(238,582)	371,782	238,582	.....	.....	.....	.....	.....	.....
	(371,782)	(238,582)	(1,849,657)	(1,464,018)	2,221,439	1,702,600	.....	.....	.....	.....
Net Increase (decrease) for the year .....	23,452,935	19,705,688	(626,004)	38,855	(76,714)	(9,318,208)	44,166	(72,299)	22,794,383	10,354,036
Balance of Fund before the following .....	119,516,930	99,484,478	12,789,145	13,415,149	(1,742,533)	(1,665,819)	3,576,705	112,056	134,140,247	111,345,864
Funds transferred .....	.....	(3,420,483)	.....	.....	.....	.....	.....	3,420,483	.....	.....
Balance, end of year .....	\$ 119,516,930	\$ 96,063,995	\$ 12,789,145	\$ 13,415,149	\$ (1,742,533)	\$ (1,665,819)	\$ 3,576,705	\$ 3,532,539	\$ 134,140,247	\$ 111,345,864

(See accompanying notes to the financial statements)

## The Municipal Employees' Superannuation Fund

### Notes to Financial Statements

December 31, 1985

#### 1. Description of the Municipal Employees' Superannuation Fund

##### General

The Municipal Employees' Superannuation Act, Section 11 provides authority for the Municipal Employees' Superannuation Fund. The Act directs that all allowances, payments and refunds under the Act shall be payable out of the fund in the manner provided in the Act together with all benefits granted under a former Act. The Act also directs that all monies in the fund shall be paid to and shall be held in trust by the Minister of Finance who shall invest such monies in securities authorized under The Pension Benefits Act. All other administrative responsibilities reside with the Municipal Employees' Superannuation Commission whose composition and authority to administer the Act are provided in Section 7 of the Act.

##### Fund Balances

The Municipal Employees' Superannuation Fund is composed of several activities. The purpose and details of the activities are outlined below.

##### Defined Benefit Plan

The defined benefit plan became effective July 1, 1973. The plan is mandatory for employees with one year of service. Contributions are established at 7% of earnings net of C.P.P. contributions and are matched by the employer.

At age 65 employees are entitled to pension benefits equal to:

- 1.3% of that portion of their average salary for the five highest calendar years, which is not in excess of the average yearly maximum pensionable earnings for the three years immediately prior to retirement; and
- 2% of that portion of their average highest salaries, if any which exceed the average yearly maximum pensionable earnings of the three years immediately prior to retirement;

for each year and fractional year of contributory service in the plan prior to retirement.

Employees who have attained the age of at least 55 years and who are credited with at least 15 years of continuous service may retire and receive early retirement pensions; however, such allowances are subject to reductions of .25% per month for each month that their early retirement dates precede their normal retirement dates.

Upon termination of employment, where age and service totals less than 45 years, the member may withdraw all of his own contributions plus interest; however, in such cases the funds contributed by his employer on his behalf becomes a forfeiture to the fund.

When the terminating employee's age and service totals 45 years or more, he may either withdraw one-half of his own contributions and interest and remain eligible for a reduced allowance at normal retirement age; or, he may simply leave all funds with the plan and receive a "full" non-reduced deferred pension at normal retirement age.

When an employee dies and has less than 15 years of continuous service to his credit, his named beneficiary is entitled to a lump sum refund on the decedent's contributions and interest. In cases where the deceased member did have at least 15 years of continuous service to his credit, his surviving spouse, if any, is entitled to an allowance amounting to 60% of what would be payable if the decedent were alive and eligible for a pension. Additional benefits, not exceeding 25% of the decedent's calculated pension, may be payable where dependent children are also involved.

If a pensioner dies leaving a spouse or dependent, 60% of the pension is paid for life. If there is no spouse or dependent, the balance of member contributions plus interest at retirement, less pension payments, is paid in a lump sum.

Interest is allocated annually on the basis of the plan's portion of the total assets of the Fund.

Any surpluses that arise in the fund as a result of forfeitures of employer contributions on an employee's withdrawal, investment earnings on existing surpluses or in excess of actuarial assumptions, or contributions in excess of that required to meet current fund obligations can be used at the discretion of the Commission to finance other activities.

## The Municipal Employees' Superannuation Fund

### Notes to Financial Statements — (Continued)

#### 1. Description of the Municipal Employees' Superannuation Fund — (Concluded)

##### Money Accumulation Plan

The Money Accumulation Plan consists of members who made contributions to the money purchase plan in effect prior to July 1, 1973. Upon retirement members must purchase an annuity from either the fund or a private insurer based on all employee and employer contributions together with interest thereon. In the event of death prior to retirement their beneficiaries have the option of receiving such annuities or receiving a lump sum payment of all employee and employer accounts.

In addition, the accounts, set up to record mandatory contributions made to the fund prior to July 1, 1973, may also contain:

- voluntary employee and/or employer contributions made either before or after July 1, 1973;
- any employer and/or employee contributions made to the plan subsequent to normal retirement age; and
- any excess employee funds transferred from the new plan pursuant to Subsection 20(4) of The Municipal Employees's Superannuation Act.

Interest is credited annually to the individual members account balances in accordance with the provisions of the governing legislation. An interest rate of 10½% was approved by the Commission in 1984 and 10% in 1985.

Any forfeitures of the employer contributions, resulting from an employee withdrawing from the plan are removed from the plan and credited to the supplementary benefits activity for use at the discretion of the Commission.

##### Annuity Underwriting

Members of the Money Accumulation Plan upon retirement must purchase a life annuity through the Commission or through a private insurer.

If the member elects to purchase through the Commission, the individual's account balance is transferred to the annuity underwriting activity and an annuity contract is agreed to based on current interest rates and annuity tables.

Interest is allocated annually on the basis of the activity's portion of the total assets of the Fund.

The present value of future annuities is reflected as a liability to the fund and a charge against the annuity underwriting activity.

Any surplus resulting in the activity can be utilized at the discretion of the Commission.

##### Supplementary Benefits

In accordance with the Act, the Commission makes supplementary benefits to superannuates to compensate them for lost purchasing power.

These supplementary benefits can be made by the Commission as long as the solvency of the entire fund is not impaired.

Funding for supplementary benefits results from forfeitures from the Money Purchase Plan and from the Commission transferring surplus amounts from the other activities to equal the actuarial valuation of supplements granted.

Interest is allocated annually on the basis of the activity's portion of the total assets of the Fund.

#### 2. Accounting Policies

These financial statements have been prepared in accordance with accounting principles considered appropriate for the pension fund. The significant accounting policies are as follows:

##### Accrual Accounting

The financial statements are prepared on the accrual basis. The statements show only the position of the fund as at the year-end and do not purport to show the adequacy of the fund to meet its future obligations except that the fund records a provision for the present value of future annuity payments. The results of the latest actuarial valuation of the fund are described in Note 4.

##### Investments

The bonds and debentures are recorded at amortized cost and any premiums or discounts associated with their acquisition are amortized on a straight-line basis. When bonds and debentures are sold to permit reinvestment, any gain or loss as a result of the sale and any unamortized premiums or discounts are amortized over the remaining term of the security sold. Short-term deposit certificates, corporate shares, mortgages and real estate are recorded at cost. Any gains or losses resulting from their sale are recognized in the period of the sale.



## The Municipal Employees' Superannuation Fund

### Notes to Financial Statements — (Continued)

#### 3. Investments

	1985		1984	
	Cost	Market Value	Cost	Market Value
Bonds and debentures at par				
Saskatchewan				
— Province .....	\$ 18,066,765	\$ 18,049,784	\$ 17,282,000	\$ 14,960,360
— Municipal, Schools and Hospitals .....	961,278	1,023,617	1,162,924	1,130,696
	<u>19,028,043</u>	<u>19,073,401</u>	<u>18,444,924</u>	<u>16,091,056</u>
Government of Canada .....	13,510,000	14,307,475	7,325,000	6,953,406
Other provinces .....	350,000	402,500	350,000	354,375
Provincial guarantees .....	17,770,000	17,915,097	16,420,000	14,809,650
Corporate debentures .....	32,059,295	34,314,336	27,617,460	28,394,381
	<u>63,689,295</u>	<u>66,939,408</u>	<u>51,712,460</u>	<u>50,511,812</u>
Total bonds and debentures at par value .....	82,717,338	.....	70,157,384	.....
Less unamortized discounts, etc. (Note 2) .....	(3,690,202)	.....	(3,438,994)	.....
Total bonds and debentures at amortized cost .....	79,027,136	86,012,809	66,718,390	66,602,868
Deposit Certificates Short-term .....	21,647,750	21,647,750	11,017,793	11,017,793
Long term discount coupons .....	.....	.....	3,123,710	3,053,850
Corporate shares .....	23,505,240	25,817,745	22,869,427	22,668,922
	<u>124,180,126</u>	<u>\$ 133,478,304</u>	<u>103,729,320</u>	<u>\$ 103,343,433</u>
Mortgages* .....	13,019,522		13,155,265	
Real Estate* .....	3,641,433		2,987,855	
Investments				
— to Statement 1 .....	<u>\$ 140,841,081</u>		<u>\$ 119,872,440</u>	

\* Since mortgages and real estate are not publicly traded, their market value has not been determined.

#### 4. Actuarial Report

According to **The Pension Benefits Act**, an actuarial valuation of the assets and liabilities of the fund is required to be made by an Actuary at regular intervals of three years. The most recent valuation was carried out as at December 31, 1983.

The valuation indicates the fund to be fully funded, with a surplus, and the current contribution rate more than sufficient to finance benefits to be earned in the future.

The surplus of the fund as at December 31, 1983 was calculated to be \$9,317,991 determined as follows:

Assets .....	\$101,157,571
Actuarial Liabilities	
Former Plan funds .....	\$ 13,356,555
Active Members .....	57,843,549
Inactive Members .....	2,488,458
Deferred Pensions .....	359,290
Pensioners .....	17,791,728
	<u>\$ 91,839,580</u>
Surplus .....	<u>\$ 9,317,991</u>

The Actuary used the Accrued Benefit Method to determine whether the assets in the fund at valuation date were sufficient to finance the benefits earned in respect of service to the valuation date.

This method examines each benefit that may be payable in the future due to service up to the valuation date multiplying it by its probability of being paid and discounting back to the valuation date using an interest rate.

To determine the contribution rate for the future that will finance future benefits to be earned in the future, the Single Premium, or Unit Credit Cost, Method was used.



## The Municipal Employees' Superannuation Fund

### Notes to Financial Statements — (Concluded)

#### 4. Actuarial Report — (Concluded)

The significant actuarial assumptions are as follows:

(a) **Life Expectancy**

It was assumed that future mortality experience would follow the 1971 Group Annuity Mortality Table.

(b) **Rate of Investment Return**

A 7% per annum return on investments was assumed.

(c) **Salary Increases**

Salary increases were assumed to be 6% adjusted to include merit and promotion factors.

(d) **Termination**

Termination pattern used was as follows:

Age	Male %	Female %
20	16.0	32.0
30	8.8	17.6
40	4.7	9.4
50	2.1	4.2

(e) **Retirement**

The actuarial valuation assumed that all police and fire employees retire at age 60 and all other members retire at age 64.

(f) **Dependents**

It was assumed that 100% of males and 80% of females would be married at death and 90% would be married at retirement.

(g) **Asset Values**

Book value was used as a conservative estimate of market value.

#### 5. Administrative Costs

The costs of administering the Act are borne by the Consolidated Fund of the Province pursuant to Section 10 of The Municipal Employees' Superannuation Act. Accordingly, these costs are not reflected in the financial statements.

The costs of actuarial studies are borne by The Municipal Employees' Superannuation Fund in accordance with provisions contained in Section 12 of the Act.

#### 6. Subsequent Events

Subsequent to the year end, an investment has permanently deteriorated in value by approximately 33 1/3%, thereby reducing the value of the investment from \$499,500 to \$333,000. This loss of \$166,500 will be accounted for in the year the economic events occurred.

## The Municipal Employees' Superannuation Fund

### Auditor's Report

To the Members of the Legislative Assembly  
of Saskatchewan

I have examined the balance sheet of The Municipal Employees' Superannuation Fund as at December 31, 1986 and the statement of changes in fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,  
September 17, 1987.

W. G. Lutz, F.C.A.,  
Provincial Auditor.

### Balance Sheet

As At December 31

### Statement 1

	1986	1985
<b>Assets</b>		
Cash .....	\$ 423,427	\$ 331,504
Contributions and other accounts receivable .....	1,014,012	3,217,012
Investment earnings due and accrued .....	2,881,229	2,532,155
Investments (Note 3) .....	169,510,709	140,841,081
	<u>\$ 173,829,377</u>	<u>\$ 146,921,752</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities:</b>		
Accounts payable .....	\$ 37,529	\$ 111,635
Provision for Future Annuities .....	14,439,284	12,669,870
<b>Total Liabilities</b> .....	<u>14,476,813</u>	<u>12,781,505</u>
<b>Fund Balance:</b>		
Defined Benefit Plan .....	145,153,797	119,516,930
Money Accumulation Plan .....	13,166,887	12,789,145
Annuity Underwriting .....	(2,637,478)	(1,742,533)
Supplementary Benefits .....	3,669,358	3,576,705
<b>Total Fund Balance</b> .....	<u>159,352,564</u>	<u>134,140,247</u>
	<u>\$ 173,829,377</u>	<u>\$ 146,921,752</u>

(See accompanying notes to the financial statements)

# The Municipal Employees' Superannuation Fund

## Statement of Changes in Fund Balance Year Ended December 31, 1986

### Statement 2

	Defined Benefit Plan		Money Accumulation Plan		Annuity Underwriting Activity		Supplementary Benefits Activity		Total	Total
	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985
Balance, Beginning of year .....	\$ 119,516,930	\$ 96,063,995	\$ 12,789,145	\$ 13,415,149	\$ (1,742,533)	\$ (1,665,819)	\$ 3,576,705	\$ 134,140,247	\$ 111,345,864	
Add:										
Contributions										
— employees .....	6,143,274	5,833,862	75,837	155,337	.....	.....	.....	.....	6,219,111	5,989,199
— employers .....	6,143,274	5,833,862	46,635	48,374	.....	.....	.....	.....	6,189,909	5,882,236
Interest on funds transferred in .....	64,242	57,741	.....	.....	.....	.....	.....	.....	64,242	57,741
Interest earned .....	16,161,905	14,233,953	1,342,996	1,209,796	1,330,060	1,258,845	441,390	436,000	19,276,351	17,138,594
Contribution										
— Rural Pension supplement .....	17,610	22,402	.....	.....	.....	.....	.....	.....	17,610	22,402
	28,530,305	25,961,820	1,465,468	1,413,507	1,330,060	1,258,845	441,390	436,000	31,767,223	29,090,172
Deduct:										
Transfers to other retirement plans .....	262,414	220,122	36,480	111,134	.....	.....	.....	.....	298,894	331,256
Lump sum payments to estates .....	27,230	127,783	63,492	11,629	.....	.....	.....	.....	90,722	139,412
Payments in lieu of annuities .....	43,476	81,363	3,009	801	.....	.....	.....	.....	46,485	82,164
To insurance company .....	.....	.....	67,010	65,311	.....	.....	.....	.....	67,010	65,311
Withdrawals with interest .....	882,578	727,642	31,182	979	.....	.....	.....	.....	913,760	728,621
Allowances .....	1,263,041	996,913	.....	.....	1,724,667	1,551,978	376,098	391,834	3,363,806	2,940,725
Actuary fees .....	4,815	3,280	.....	.....	.....	.....	.....	.....	4,815	3,280
Change in value (Note 4) .....	.....	.....	.....	.....	1,769,414	2,005,020	.....	.....	1,769,414	2,005,020
	2,483,554	2,157,103	201,173	189,854	3,494,081	3,556,996	376,098	391,834	6,554,906	6,295,789
Add (Deduct):										
Intra-fund transactions:										
Retirement annuities purchased .....	.....	.....	(1,269,076)	(2,221,439)	1,269,076	2,221,439	.....	.....	.....	.....
Excess employee contributions .....	(409,884)	(371,782)	409,884	371,782	.....	.....	.....	.....	.....	.....
Employer contributions forfeited on withdrawal			(27,361)	.....	.....	.....	27,361	.....	.....	.....
	(409,884)	(371,782)	(886,553)	(1,849,657)	1,269,076	2,221,439	27,361	.....	.....	.....
Net increase (decrease) .....	25,636,867	23,452,935	377,743	(626,004)	(894,945)	(76,714)	92,653	44,166	25,212,318	22,794,383
Balance, end of year .....	\$ 145,153,797	\$ 119,516,930	\$ 13,166,887	\$ 12,789,145	\$ (2,637,478)	\$ (1,742,533)	\$ 3,669,358	\$ 3,576,705	\$ 134,140,347	

(See accompanying notes to the financial statements)

## The Municipal Employees' Superannuation Fund

### Notes to Financial Statements

December 31, 1986

#### 1. Description of the Municipal Employees' Superannuation Fund

##### General

The Municipal Employees' Superannuation Act, Section 11 provides authority for the Municipal Employees' Superannuation Fund. The Act directs that all allowances, payments and refunds under the Act shall be payable out of the fund in the manner provided in the Act together with all benefits granted under a former Act. The Act also directs that all monies in the fund shall be paid to and shall be held in trust by the Minister of Finance who shall invest such monies in securities authorized under The Pension Benefits Act. All other administrative responsibilities reside with the Municipal Employees' Superannuation Commission whose composition and authority to administer the Act are provided in Section 7 of the Act.

##### Fund Balances

The Municipal Employees' Superannuation Fund is composed of several activities. The purpose and details of the activities are outlined below.

##### Defined Benefit Plan

The defined benefit plan became effective July 1, 1973. The plan is mandatory for employees with one year of service. Contributions are established at 7% of earnings net of C.P.P. contributions and are matched by the employer.

At age 65 employees are entitled to pension benefits equal to:

- 1.3% of that portion of their average salary for the five highest calendar years, which is not in excess of the average yearly maximum pensionable earnings for the three years immediately prior to retirement; and
- 2% of that portion of their average highest salaries, if any, which exceed the average yearly maximum pensionable earnings of the three years immediately prior to retirement;

for each year and fractional year of contributory service in the plan prior to retirement.

Employees who have attained the age of at least 55 years and who are credited with at least 15 years of continuous service may retire and receive early retirement pensions; however, such allowances are subject to reductions of .25% per month for each month that their early retirement dates precede their normal retirement dates.

Upon termination of employment, where age and service totals less than 45 years, the member may withdraw all of his own contributions plus interest; however, in such cases the funds contributed by his employer on his behalf becomes a forfeiture to the fund.

When the terminating employee's age and service totals 45 years or more, he may either withdraw one-half of his own contributions and interest and remain eligible for a reduced allowance at normal retirement age; or, he may simply leave all funds with the plan and receive a "full" non-reduced deferred pension at normal retirement age.

When an employee dies and has less than 15 years of continuous service to his credit, his named beneficiary is entitled to a lump sum refund on the decedent's contributions and interest. In cases where the deceased member did have at least 15 years of continuous service to his credit, his surviving spouse, if any, is entitled to an allowance amounting to 60% of what would be payable if the decedent were alive and eligible for a pension. Additional benefits, not exceeding 25% of the decedent's calculated pension, may be payable where dependent children are also involved.

If a pensioner dies leaving a spouse or dependent, 60% of the pension is paid for life. If there is no spouse or dependent, the balance of member contributions plus interest at retirement, less pension payments, is paid in a lump sum.

Interest is allocated annually on the basis of the plan's portion of the total assets of the Fund.

Any surpluses that arise in the fund as a result of forfeitures of employer contributions on an employee's withdrawal, investment earnings on existing surpluses or in excess of actuarial assumptions, or contributions in excess of that required to meet current fund obligations can be used at the discretion of the Commission to finance other activities.

## The Municipal Employees' Superannuation Fund

### Notes to Financial Statements — (Continued)

#### 1. Description of the Municipal Employees' Superannuation Fund — (Concluded)

##### Money Accumulation Plan

The Money Accumulation Plan consists of members who made contributions to the money purchase plan in effect prior to July 1, 1973. Upon retirement members must purchase an annuity from either the fund or a private insurer based on all employee and employer contributions together with interest thereon. In the event of death prior to retirement their beneficiaries have the option of receiving such annuities or receiving a lump sum payment of all employee and employer accounts.

In addition, the accounts, set up to record mandatory contributions made to the fund prior to July 1, 1973, may also contain:

- voluntary employee and/or employer contributions made either before or after July 1, 1973;
- any employer and/or employee contributions made to the plan subsequent to normal retirement age; and
- any excess employee funds transferred from the new plan pursuant to Subsection 20(4) of The Municipal Employees's Superannuation Act.

Interest is credited annually to the individual members account balances in accordance with the provisions of the governing legislation. An interest rate of 10% was approved by the Commission in 1985 and 11% in 1986.

Any forfeitures of the employer contributions, resulting from an employee withdrawing from the plan are removed from the plan and credited to the supplementary benefits activity for use at the discretion of the Commission.

##### Annuity Underwriting

Members of the Money Accumulation Plan upon retirement must purchase a life annuity through the Commission or through a private insurer.

If the member elects to purchase through the Commission, the individual's account balance is transferred to the annuity underwriting activity and an annuity contract is agreed to based on current interest rates and annuity tables.

Interest is allocated annually on the basis of the activity's portion of the total assets of the Fund.

The present value of future annuities is reflected as a liability to the fund and a charge against the annuity underwriting activity.

Any surplus resulting in the activity can be utilized at the discretion of the Commission.

##### Supplementary Benefits

In accordance with the Act, the Commission makes supplementary benefits to superannuates to compensate them for lost purchasing power.

These supplementary benefits can be made by the Commission as long as the solvency of the entire fund is not impaired.

Funding for supplementary benefits results from forfeitures from the Money Purchase Plan and from the Commission transferring surplus amounts from the other activities to equal the actuarial valuation of supplements granted.

Interest is allocated annually on the basis of the activity's portion of the total assets of the Fund.

#### 2. Accounting Policies

These financial statements have been prepared in accordance with accounting principles considered appropriate for the pension fund. The significant accounting policies are as follows:

##### Accrual Accounting

The financial statements are prepared on the accrual basis. The statements show only the position of the fund as at the year-end and do not purport to show the adequacy of the fund to meet its future obligations except that the fund records a provision for the present value of future annuity payments. The results of the latest actuarial valuation of the fund are described in Note 4.

##### Investments

The bonds and debentures are recorded at amortized cost and any premiums or discounts associated with their acquisition are amortized on a straight-line basis. When bonds and debentures are sold to permit reinvestment, any gain or loss as a result of the sale and any unamortized premiums or discounts are amortized over the remaining term of the security sold. Short-term deposit certificates, corporate shares, mortgages and real estate are recorded at cost. Any gains or losses resulting from their sale are recognized in the period of the sale.



## The Municipal Employees' Superannuation Fund

### Notes to Financial Statements — (Continued)

#### 3. Investments

	1986		1985	
	Cost	Market Value	Cost	Market Value
Bonds and debentures at amortized cost .....	\$ 98,053,765	\$ 108,570,407	\$ 79,027,136	\$ 86,012,809
Deposit certificates — short-term ...	18,001,446	18,001,446	21,647,750	21,647,750
Corporate shares .....	38,555,826	38,979,789	23,505,240	25,817,745
Mortgages .....	11,859,732	11,698,595	13,019,522	14,172,055
Real estate .....	3,039,940	3,017,515	3,641,433	3,448,285
Investments — to Statement 1 .....	<u>\$ 169,510,708</u>	<u>\$ 180,267,752</u>	<u>\$ 140,841,081</u>	<u>\$ 151,098,644</u>

#### 4. Actuarial Report

According to **The Pension Benefits Act**, an actuarial valuation of the assets and liabilities of the fund is required to be made by an Actuary at regular intervals of three years. The most recent valuation was carried out as at December 31, 1986.

The valuation indicates the fund to be fully funded, with a surplus, and the current contribution rate more than sufficient to finance benefits to be earned in the future.

The surplus of the fund as at December 31, 1986 was calculated to be \$37,291,237 determined as follows:

Assets .....	\$174,094,342
Actuarial Liabilities	
Money Accumulation Plan .....	\$ 13,155,730
Active Members .....	85,428,146
Inactive Members .....	4,014,810
Deferred Pensions .....	1,006,854
Pensioners .....	33,197,565
	<u>\$ 136,803,105</u>
Surplus .....	<u>\$ 37,291,237</u>

The Actuary used the Accrued Benefit Method to determine whether the assets in the fund at valuation date were sufficient to finance the benefits earned in respect of service to the valuation date.

This method examines each benefit that may be payable in the future due to service up to the valuation date multiplying it by its probability of being paid and discounting back to the valuation date using an interest rate.

To determine the contribution rate for the future that will finance future benefits to be earned in the future, the Single Premium, or Unit Credit Cost, Method was used.

The significant actuarial assumptions are as follows:

##### (a) Life Expectancy

It was assumed that future mortality experience would follow the 1983 Group Annuity Mortality Table.

##### (b) Rate of Investment Return

A 7% per annum return on investments was assumed.

##### (c) Salary Increases

Salary increases were assumed to be 6% adjusted to include merit and promotion factors.

##### (d) Termination

Termination pattern used was as follows:

Age	Male %	Female %
20	16.0	32.0
30	8.8	17.6
40	4.7	9.4
50	2.1	4.2

##### (e) Retirement

The actuarial valuation assumed that all police and fire employees retire at age 60 and all other members retire at age 65.

##### (f) Dependents

It was assumed that 100% of males and 80% of females would be married at death and 90% would be married at retirement.

##### (g) Asset Values

Book value was used as a conservative estimate of market value.

## The Municipal Employees' Superannuation Fund

### Notes to Financial Statements — *(Concluded)*

5. **Administrative Costs**

The costs of administering the Act are borne by the Consolidated Fund of the Province pursuant to Section 10 of The Municipal Employees' Superannuation Act. Accordingly, these costs are not reflected in the financial statements.

The costs of actuarial studies are borne by The Municipal Employees' Superannuation Fund in accordance with provisions contained in Section 12 of the Act.

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